The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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HOW AN ILLEGAL CHINESE BEAN DEAL NOW BECOMES LEGITIMATE!

ONE of the serious charges which the Japanese brought against the former Chinese regime in Manchuria had to do with transactions in beans—soya-beans—leading agricultural product of China's northeastern provinces. According to the Japanese charges, Marshal Chang Tso-ling, late war-lord of Manchuria and his son, the "Young Marshal," Chang Hsueh-liang, were accustomed to engaging in large transactions in soya-beans as a sort of side-line to their military activities. The Japanese alleged that these Manchurian leaders in cooperation with Chinese bankers and businessmen were guilty of the major crime of cornering the bean market in such a way that the Japanese merchants were "frozen out." The Chinese were able to do it through their native banks, the Bank of the Three Eastern Provinces and the Frontier Development Bank, the controlling interest in both being held by the Chang family. When the bean-marketing season approached, agents of these banks would go to the bean-producing districts and buy up all available supplies, using notes of the banks. The banks then would store the beans and hold them against an increase in price and when the price went up they would unload, thus clearing a handsome profit—to the detriment of Japanese shippers and oil mills. In recent years as the Chinese completed their new railway system, the situation became still worse for the Japanese, for the Chinese could then market their beans without even shipping them over the Japanese government-owned and operated South Manchurian Railway. For many years before the Chinese had worked out their bean-buying and exporting system, the Japanese had controlled the Manchurian bean trade; hence the Chinese action in out-smarting the Japanese in the bean trade constituted one of the many charges which the Japanese brought against the Chinese administration in Manchuria. To put an end to this "intolerable" situation the Imperial Japanese army was called in with its tanks, armored cars, air-bombers, artillery and battalions of infantry and cavalry and the bean-buying Chinese militarists, officials and businessmen were driven out of the country.

The Japanese, then created their puppet administration at Changchun and one of their first official acts was to organize a new Central Bank, the object being to supplant the hated

Chinese banks which had cornered the bean trade, and incidentally, issued depreciated notes. The Japanese management of the new Central Bank announced they would redeem all old Chinese bank-notes at the rate of $1.25 in old notes for $1 of the new. By means of a widespread publicity campaign the new Japanese-controlled bank was able to obtain large quantities of the old Chinese bank-notes, which announcedly were to be destroyed. But it seems they were not destroyed, and that leads us back to the bean business!

According to a report from one of *The Review's* correspondents in Manchuria, which appears elsewhere in this issue, the new Japanese controlled Central Bank has found an interesting use for the old Manchurian bank-notes—in cornering the bean market! Using the old bank-notes, the new Central Bank went into the market, and according to the report, purchased some 170,000 tons of beans, thereby raising the price to such an extent that other (non-Japanese) dealers were frozen out. Our correspondent put it rather naively, "the new bank for some reason or other prefers to have stocks of beans in its warehouses rather than the old-type bank-notes." Of course, the beans are worth more than the notes of the old Chinese banks which the Japanese are determined to put out of business; hence the poor Chinese peasant has again been victimized, this time by the new rulers of Manchuria, who announced at Geneva and elsewhere that their purpose was to create a sort of "heaven-on-earth" where all such nefarious practices would be eliminated. But the Japanese have managed to freeze out their competitors and again enjoy a monopoly of the bean trade and since this was one of their objects in occupying Manchuria, there doesn't seem to be anything that can be done about it. In last week's issue of *The Review* there appeared an article showing how the Japanese, by means of their military control, have managed to obtain complete command of the railway situation in Manchuria, thus eliminating Chinese competition in that line. This is how the Open Door of Equal Opportunity in China's northeastern provinces is being closed and pad-locked for everybody excepting a few favored Japanese who have the support of the Imperial Army. Of course no one can determine how this daring Japanese military adventure will turn out in the long run for the Manchurian question is far from being a dead issue, but the Chinese at least have the satisfaction of knowing that their methods could not have been entirely wrong, otherwise the Japanese would not be following almost exactly similar plans in their monopolization of the territory. What has happened naturally, is that the Japanese finding themselves unable to compete with the Chinese, decided to invoke military measures. Here they were eminently successful for the Chinese were far behind the Japanese in military development, though obviously superior in business ability and the knack of coordinating business and government in eliminating a foreign competitor. In view of the excellent lessons in military technique which the Chinese are now receiving at the hands of their Japanese instructors, it is not impossible that the Chinese before long will be able to show the Japanese a thing or two in military competition as well as in railroading and bean-trading.

SOME NICARAGUAN NEWS FOR OUR JAPANESE READERS!

EVER since the Japanese occupation of Mukden in the fall of 1931, Japanese apologists and propagandists have been telling the world that what Japan was doing in Manchuria was quite similar to what the United States has been doing in the little Republic of Nicaragua in Central America. But while the Japanese have made much of the U. S. Marine intervention in the Central American state, we never have been able to find a single reference, not even a brief news dispatch in the Japanese newspapers, attesting to the fact that the American forces have been entirely withdrawn from the country which has resumed its complete independence and political and territorial integrity, following a national election which was supervised by the American officers. Also, of particular interest in this connection is the fact that the new president of Nicaragua, Dr. Juan B. Sacasa (late Nicaraguan Minister at Washington) formerly was an opponent of American policy and General Sandino, the former bandit leader who allegedly had much to do with the killing of some 130 American officers and men, has now become a peaceful farmer within his own country.

The recent arrival in Shanghai of American marine officers who participated in the last Nicaraguan election and the final withdrawal of American troops from that country, is of special interest in the Far East because it is a subject which has been given much prominence in the press of this part of the world by the Japanese propagandists who have been trying to tell the Chinese and everybody else that they were but following the American precedent in Central America. On Jan. 2 of this year the State Department announced that all American armed forces had departed from Nicaragua, the announcement stating, "No American armed forces will remain in that country, either as instructors in the constabulary, as a legation guard, or in any other capacity whatsoever. Their retirement at this time realizes in fact the intention announced by the Department of State in February, 1931, of withdrawing the Marines following the presidential elections of 1932." The State Department announced further that the American forces were sent to Nicaragua in 1926 because the Nicaraguan authorities stated they were unable to protect Americans whose lives were endangered by the civil war then in progress and that they desired the American Government to take appropriate steps to protect its citizens in Nicaragua. The American forces were then retained in Nicaragua after the cessation of hostilities in accordance with the request of the Nicaraguan Government, the object being to utilize the Americans in the training of a nonpartisan constabulary and to assist in the supervision of elections for the Presidency and the Congress. The United States acceded to this request and on three successive occasions, 1928, 1930 and 1932 helped the Nicaraguans hold free, fair and impartial elections. The State Department's declaration concluded with the following friendly words, "The withdrawal of the American forces, therefore, follows upon the fulfillment of the above-mentioned obligations and marks the termination of the special relationship which has existed between the United States and Nicaragua. America

has considered it a privilege to assist Nicaragua and will always look with friendly sympathy and satisfaction upon the progress which Nicaragua through her own efforts will inevitably achieve in the future. The United States desires for Nicaragua, as for her sister republics in Central America, peace, tranquility, well-being, and the just pride that comes from unimpaired integrity."

A much more picturesque account, however, of the final evacuation of the American forces was contained in a statement of one of the last American Marine officers to leave Nicaragua. He said:

> "We pulled out of Nicaragua as neat and clean as a whistle. Six months ago I did not believe that it could be done without at least some friction with the civil populace. On January 1st Dr. Sacasa was inaugurated in the presence of the friendliest gathering of people I have seen in Nicaragua. The ceremonies went off without a hitch. Our last official job was to provide police protection and handle the crowds on that day. At noon I turned over to my Nicaraguan successor.
>
> "We evacuated Managua on the 2d of January in two trains, one leaving the city at 7.00 a.m., and the other at 9.00 a.m. I had charge of the security detachment, and left on the latter train. At Corinto the transports Henderson and the Antares awaited us, the former scheduled for the East Coast, while the latter was to go to San Diego. It was the work of only a new hours to divide and load personnel and baggage and by 5.00 p.m., we were steaming out of the harbor. The Antares docked at San Diego, Cal. on the 11th."

While it is impossible to forecast what is likely to happen eventually as a result of Japan's intervention and occupation of Manchuria which has now extending well into the second year, it is nevertheless possible to call attention to several important contrasts with respect to the American action in Central America. In the first place American military officers did not "frame" a railway accident in order to precipitate and justify intervention, as the Japanese military did at Mukden during the night of September 18, 1931. In the second place America did not overthrow the existing Nicaraguan authorities and convert the country into a "puppet" state supported by an "iron-ring" of American advisers as the Japanese have done at Changchun. Thirdly, the United States did not go outside of the territory and bring back an ousted and discredited king and make him chief executive under an ambiguous title leaving the way open for the re-creation of a monarchy. Fourthly, the United States did not make a treaty with Nicaragua giving the United States the right to station troops permanently within the country and turning over to them the sole right of foreign defence, as the Japanese military have done in the so-called Japan-Manchukuo protocol. Fifthly, the American forces assisted the Nicaraguans in the holding of free, fair and impartial elections, whereby the people were enabled to exercise their choice in the selection of their own chief executive. Sixthly, the American Army and Navy did not take advantage of the opportunity to declare a military dictatorship at home in order that all contrary opinion could be ruthlessly suppressed. And finally, the American forces were entirely evacuated, thus leaving Nicaragua with its territorial and political integrity unimpaired.

The *Review* respectfully recommends the perusal of the foregoing paragraphs to the editors of Japanese newspapers with full permission to reprint either with or without credit to this publication!

LETTER FROM A RECENT VISITOR IN THE HAILAR "PARADISE"

THE Japanese military authorities have established such complete control of affairs in Manchuria that seldom do any news reports of developments in the northeastern provinces trickle out to the newspapers, particularly those published in China. However, one does occasionally receive letters from foreign residents in that territory which speak eloquently of prevailing conditions in the new "paradise" which has been created by the Imperial Japanese Army. One such letter received last week from a foreign resident of Harbin tells the following story.

> "The trip from Hailar to Harbin was on a crowded train. The service is a crippled one because when the Soviet saw the Japanese coming, they rushed their best locomotives and coaches over the frontier.
>
> "Police first enter the cars to examine passports. Then a Japanese army officer who accompanies him demands a visiting card from every traveller. He personally searches individuals he suspects.
>
> "This Japanese officer glanced at the well-dressed Chinese sharing the writer's compartment. He held his thumb heavenwards as a sign, and whistled to the Chinese. This was the order for him to rise. The Chinese turned pink and green with mixed anger and humiliation. If he had had the slightest Manchukuo sentiment before, what he said to me when this Japanese army man left showed clearly it had turned to the opposite.
>
> "There are no fortifications to be seen on the trip, but all the buildings occupied by the Japanese are almost wrapped in barbed wire.
>
> "Drunken Japanese soldiers are continuously wandering through Hailar and acting like conquerors. While waiting to get on my train another came from Harbin with 20 Japanese prostitutes who were being brought into Hailar. I was informed that wherever the Japanese enter a town or city, a detachment of these girls soon follows.
>
> "Hailar is dead. After 4 p.m. one cannot see anybody on the streets. The prices for everything fell, especially for meat, butter, fish and wool. There was no demand. All the Chinese are fleeing, united in hatred of the Japanese.
>
> "The word Manchukuo is regarded as a curse.
>
> "I needed a rag with which to dust the seat. I was brought a Manchukuo flag, and the supposedly Manchukuo soldier who did it let me know this expressed his sentiments.
>
> "There wasn't a single shot fired when the Japanese captured Hailar. On December 3 or 4 three train-loads of General Su Ping-wen's soldiers left, and the next day three train-loads of Japanese soldiers arrived.
>
> "The Mongols generally in the Hailar area sympathize with the Japanese because of their complaints against Chinese ill-treatment. The Japanese are spreading rumors that the Chinese will colonize all of Mongolia and convert it into farmland, and that this will spell the end of the Mongol nomadism."

However, the dearth of news regarding developments in Manchuria, was broken slightly on last Sunday morning when the *North-China Daily News* published a brief *United Press* report from Mukden, stating that 500 bandits had wrecked a train on the Ssupingkai-Taonan railway and had killed 8 Japanese and 40 Manchukuo citizens and had wounded 42 others, including two Japanese. The bandits had removed the rails causing the wreckage of the train and then had fired on the passengers. The bandits escaped before the Japanese military arrived.

SOVIETS IMPRISON FOUR BRITONS ON SABOTAGE CHARGE

THE relations between Great Britain and the Soviet Government have apparently become seriously strained as the result of the arrest of four British employees of the Metro-Vickers company who are being held and charged by the Soviet Government of being concerned in a counter-revolutionary plot, the specific charge being that as experts connected with the erection of the hydro-electric project on the river Dnieper, the total cost of which is something like three hundred million Chinese dollars, they conpired to have the blades of the giant turbine supplied by the Vickers company corroded with malicious intent as a result of sand or acid being poured into them. They are also accused of conspiring to commit other acts of sabotage. Recent London messages allege that the Ogpu (Russian secret police) have subjected the accaused Britons to third degree methods. The arrest of these British subjects has created consternation in Britain, but all protests have been ignored at Moscow. On the contrary, the Soviet Government, according to *Tass*, has rejected what it terms the "attempted interference" of the British Government in the case. Referring to Stanley Baldwin's announcement in the House of Commons on March 15 that the British Ambassador at Moscow, Sir Esmond Ovey, had been instructed to make "strong representations" to the Soviet Government against the arrest of the British subjects and to point out that the arrests "may entail unfortunate consequences" in the relations between Great Britain and Soviet Russia, M. Litvinov, the Soviet Commissar for Foreign Affairs, declared that "concretely and practically the claims of the British Ambassador in this case amount to a proposal to exempt from Soviet jurisdiction all British subjects, thereby warranting the latter to commit any crime with impunity and authorizing delinquencies on their part," and more to the same effect. "No presure and no threats," M. Litvinov declared "can induce the Soviet Government to permit inaction or laxity in the application of laws to British citizens. If the British Government and its embassy in Moscow are so convinced of the innocence of the accused in this case, the alarm they display as to the fate of the accused is incomprehensible." At the request of the British Ambassador, for specific details, Mr. Litvinov stated that the accused Britons were charged under Article 58 of the Soviet Criminal Code, that the investigation was approaching an end and that the G. P. U. had decided to transmit the case in the nearest future to the prosecuting authority of the Soviet Supreme Court where the case will be heard. Later telegrams stated that the trial would take place within a month, and would be public. For the moment, the incident has resulted in the parleys on the Anglo-Soviet trade agreement being suspended. The general opinion outside of Russia on the case is that internal conditions in the Soviet-controlled country that once was Russia have become so bad of late that the leaders have resorted to the old expedient of trying to deflect the attention of the populace against foreigners, incidentally keeping the populace in ignorance and in bondage. The incident may also be used by the Soviets to repudiate another debt —in this case the cost of the British installation.

A SALT DRAMA IN THE ISLAND EMPIRE

AN erroneous report that the Chinese army in Manchuria was using poison gas led to an official investigation of every Japanese individual or firm who had anything to do recently with the export of salt from Japan to China. Every shipment was traced not only from its origin in Japan, or as it happened in several cases, from Port Arthur (the old Russian fortress which the Japanese captured from Russia in 1903) to its destination in China. The outstanding shipment to be investigated was one made from Port Arthur in January with Hankow as the alleged destination, but the 4,000 tons which were shipped on the *Yasukuni Maru* never got to that port nor to any other, but in the end the salt was returned to Dairen and unloaded there on March 8. According to Commander Katan, the vessel sailed around in the China Sea for over month, as the result of conflicting orders received by wireless. The peregrinations of the ship excited the suspicions of the Japanese navy, who reported back to Japan its movements by wireless. He stated that at first they sailed in the direction of Hongkong, putting in at Takao, Formosa Island, on the way. They left that port on February 17, after having waited there for a week. Two days after departure, a wireless message directed the ship to head for Amoy, but while on the way there another wireless came to have the ship sent back to Dairen. Part of the trouble in this particular case seems to have been that the charterers had not paid the charter money due. The price of the salt in this case was stated to have been Yen 18.50 per ton. The price of salt in Dairen has more than doubled in recent months owing to the heavy sales.

The trouble over the charter money for this shipment coming at the same time as the poison gas scare in Manchuria seems to have had repercussions in many directions. The outstanding victim, it has been disclosed, is Tokuzo Shima, a Kwansai financier, who had been prevailed upon to lend Yen 80,000 to the several Japanese who were interested in the above mentioned salt shipment. Not only was Shima arrested by the gendarmerie, but so was everybody else in any way connected with the shipment that the gendarmerie could lay their hands on. The incident as described in the Japanese press, is a peculiar mixture of charges of profiteering and of "treason." Shima, under examination, stated that he lent the money in the ordinary course of business, as he knew the man named Fukushima (also arrested) was, at least at one time, a man of means, and an old friend of his.

The outstanding reason for the spurt in the export of salt from Port Arthur and Dairen is, of course, that with the independence of Manchuria, the ban on the export of salt has been lifted, and certain Chinese and Japanese, it is alleged, banded together to make huge profits out of the situation. According to one Japanese newspaper, the group hoped to realize a profit through a series of deals, of several million yen, half of the profits to be shared with certain Nanking officials. The net result, however, so far, of the operations is that the Japanese connected with the deals are being held by the authorities for further enquiries, and the Kwansai financier, Shima, is reported to have made an offer to give a million yen to the Japanese army so as to wipe out the stigma which the incident has created.

His home in Osaka was also made the object of an attack by a mob March 14, as "punishment for his traitorous conduct."

JAPAN NOT IMPRESSED WITH BRITISH DISARMAMENT PROPOSALS

RAMSAY MACDONALD, British Prime Minister, and Sir John Simon, British Foreign Secretary, made a visit to Geneva and Rome during the week, with a view to furthering the British idea of disarmament. It was announced after they had an interview with Signor Mussolini that they felt that a spiritual change had come over Rome and there was a similarity in British and Italian views. The big news in Europe at present is, of course, the triumph of Hitlerism and the renascence of the German spirit, and with this problem before them the other European Powers are hoping to secure the cooperation of Germany on a Four Power (British-French-German-Italian) declaration of "no force." It is of course somewhat late in the day for Britain to advocate disarmament after it has dominated the world for over a century by reason of its hold on strategic points with the aid of a predominant Navy—a position which with each succeeding year it has greater difficulty in maintaining. The one country that is not impressed with the British idea is Japan. A recent Tokyo telegram stated that the Japanese naval quarters have been studying seriously the recent British disarmament plan, submitted to the International Disarmament Conference on March 16, and they have now practically reached the definite decisions that, on the point of security, for which the British plan in the first part of the proposed convention provides various arrangements, the Japanese navy is inclined to doubt the necessity for such elaborate arrangement. Further as to the question of convening a conference in 1935, the Japanese navy sees no necessity for such a conference since questions relating to reduction of naval armaments as far as the principal naval powers are concerned were fixed by the Washington and London Disarmament Conferences. Concerning the question of air armament, the Japanese naval quarters desire to reserve their comment on the suggested British proposal until the question of abolition of aircraft carriers and also of the number of land and sea effectives shall have been settled. Japan is likewise opposed to the British proposal that no naval or military aircraft, excluding troop carriers and flying boats, are to exceed three tons, unladen weight, while she does not concur with the suggestion to fix the figure of fighting planes of each of the air powers at 500. The Japanese naval authorities, on the contrary, say they desire very much an early study of the Japanese disarmament plan submitted in the latter part of last year.

Incidentally, it is to be noted that with Japan's secession from League membership as the turning point, her future foreign policy is to be based on "self-directed diplomacy", as against the former methods which, as described in a recent Tokyo telegram, "relied on general ideals and groups." With a view to putting this new theory into practice the Japanese Foreign Office has decided to conclude a certain type of treaty of arbitration with the Netherlands, by which it might be possible to increase the "mutual respect" of the two countries and to further strengthen the friendship between them. As a result, the Japanese Minister at the Hague has been instructed by his Government to begin negotiations with this object in view.

BOMBS AND BOMBERS

BOMBS can create terrible havoc, as the residents of Chapei and many other places know to their cost. Thrown by troops or dropped from airplanes, they can destroy human life in the most ghastly manner, and raze whole cities to the ground. Thousands upon thousands of humble, inoffensive Chinese men, women, and children in Chapei, Kiangwan, and elsewhere in this neighborhood were torn to pieces by bombs last year, just as occurred in one fearful spot after another in China's northeast. The perpetrators of these atrocities are known, but there is no likelihood that they will ever be brought to justice. These murders and outrages were committed as part of a definite plan by an autocratic military State.

A week ago three subjects of that same State were arrested here, and searches have been going on for others. The charge against the three first arrested, it appears, is the posession of bombs and other deadly weapons with intent to kill, and the men are now in prison. That these preventive measures should have so promptly been taken is interesting, but it is explicable to some extent by the fact that the men were evidently not working under orders from the government of which they were subjects, but were "on their own." The bombers who murdered thousands of Chinese in Chapei last year, and the criminals and gunmen who cut Chinese to pieces on the streets of Hongkew in the International Settlement, are still at large, and may some day again resume their operations with perfect impunity so far as the Settlement authorities are concerned.

The arrested men, according to reports, were not merely acting unofficially, but furthermore are charged with intent to use their lethal weapons against official representatives of the country of which they are subjects. And this is, really, the grave part of the charge. Were the bombs to be used against peaceful Chinese citizens, on behalf of the said country, it would be quite a different matter.

Japanese education in killing is, of course, having its inevitable effects. Japan has fought five wars in the past forty years, and trains its subjects for murder in the most thorough-going and efficient manner. Korea has now been under direct Japanese rule for more than twenty years, and the Japanese are proud of the amount of assimilation which has been achieved. One probably unintentional effect of this is the manner in which assassinations of public men are planned. This, indeed, is a thing which has been carried on in Japan for a long time. In the two years following the annexation of Korea (to go no further back) twelve Japanese (including one woman) were executed for attempting the life of the Emperor. Twenty years later (1932) assassination had reached the point where there were monthly attempts, several successful, against outstanding national figures in Japan, some by native Japanese and some by their Korean fellow-subjects. Without intending in any way any insult to the men now under arrest here, or desiring to prejudice a case which is still subjudice, we humbly suggest that their alleged offense is just an old Japanese custom.

PREDICAMENT OF AMERICAN-OWNED FACTORIES IN JAPAN

GENERAL Motors, Japan Ltd., a subsidiary of the American General Motors interests, also is having trouble in connection with the shipment of trucks and cars from its Osaka plant to China. According to reports in recent issues of the *Japan Chronicle* and *Osaka Mainichi* the company was not only compelled to cancel an order for 30 chassis which it intended to ship to Shanghai dealers, but also was forced to promise the laborers in the plant that no further shipments would be made to China. Some 350 Japanese employes of the plant had threatened to strike in the event the Shanghai order was filled. Ushikichi Kono, spokesmen for the operatives in the G. M. assembly factory was quoted in the *Mainichi* (March 11) as declaring that the company was compelled to cancel one order for 100 trucks which had been ordered by Marshal Chang Hsueh-liang on the ground the trucks were to be used for military purposes. Referring to the other order for 30 chassis, he said that assurances had been received from the Shanghai dealers that the trucks were not intended for military use, but despite this, the laborers had threatened to strike in the event the order was shipped. A further report in the *Chronicle* stated the officials of the company had told the operatives the Shanghai order had been placed by the British Bus Company, but this apparently had no effect on the attitude of the laborers.

In last week's issue of *The Review* there appeared a somewhat similar report referring to the predicament of the Ford Motor Car Company which had a shipment of 100 trucks and two touring cars, also intended for Marshal Chang Hsueh-liang, diverted from Tientsin to Dairen due to the refusal of the sailors on the Japanese ship *Haru Maru* to make delivery at the north China port. At last reports the shipment was still being held by the Japanese naval authorities in Dairen harbor. In the meantime the Ford Company has lodged a strong protest with the Japanese Government through the American Embassy in Tokyo. A further reference to the subject of the Ford shipment which appeared in the *Japan Chronicle* on March 17 said that the Japanese authorities had decided to sell the Ford trucks in Dairen through the offices of the Kokusai Transport Comany. The latest is that the trucks were sold to the South Manchuria Railway for Yen 390,000 with a condition attached that the Ford Company had to bear the unloading and trial-run expenses. The *Haru-Maru* which carried the shipment and which had been detained by the naval authorities at Dairen was scheduled to return to Japan on March 18.

There was a further report in the *Chronicle* regarding complications which had developed in Japan regarding a large shipment of "enemy" barbed wire from Kobe to Tientsin. The account stated that the shipment had been passed by the Osaka customs authorities, but since complications had developed regarding the destination of the wire, the cargo had been turned over to the Japanese gendarmerie at Tientsin instead of the firm that had placed the order. Whether this shipment had any connection with a threatened strike of the staff of the Japan Steel Products Company, an American concern, was not stated, but both the *Chronicle* and *Japan Advertiser*, published reports stating that the firm also had experienced serious trouble. The firm was organized several years ago to take over the business of the Truscon Steel Company, and contained 80 percent American capital. As a result of the threatened strike, the company was compelled to agree to permit more Japanese participation in the management.

The complications referred to in the foregoing, unfortunately have not been the only troubles suffered by American manufacturing enterprises and other businesses in Japan. The National City Bank was serious embarrassed because of a ridiculous charge that the bank was engaged in "espionage." Members of the bank's staff had taken pictures of public buildings in Osaka which were intended for promotion purposes of the head office in New York. Another case was that of the Singer Sewing Machine Company, the office of which was raided and considerable property destroyed by striking laborers. The police made little effort to restrain the mob.

A further report in the *Chronicle* on March 10 stated that the American Consulates in Japan had been severely criticised in the Japanese newspapers due to the mailing out of inquiries to a number of leading firms in Osaka. What the inquiries referred to was not stated, but the receipt of the letters immediately stirred up a commotion in the Japanese press due to the allegation that the American consular authorities were guilty of "espionage." The Japanese firms receiving the inquiries, including Mitsui and Mitsubishi, had declined to reply to the inquries due to apprehenson "that replies might lead to the exposure of national secrets."

The foreign papers in Japan also published another report stating that the third secretary of the British Embassy in Tokyo, E. E. Crow and his wife, had been arrested by gendarmes for taking pictures in a "forbidden zone." W. B. Cunningham, Counsellor of the Embassy declared he had heard nothing about the report, but the story in the *Kokumin* alleged that Mr. and Mrs. Crow had been seen taking pictures by a taxicab driver who had notified the police. The report in the Japanese newspaper stated that 140 foreigners in Japan have been "black-listed" on the police records for alleged espionage activities.

Although it has no connection with American manufacturing enterprises in Japan, there were reports current in Shanghai this week of large Japanese shipments of munitions from Japanese ports to Hongkong, supposedly for use of Chinese troops at Canton. Why the Japanese authorities should permit shipments of munitions to China, but prevent shipments of motor-trucks from American factories in Japan to China, is not known, but according to report current in Shanghai the munition shipments to south China were possibly intended for factions opposed to the Nanking Government.

The *Japan Chronicle*, which is a British owned and edited paper published at Kobe, in refence to the interference with foreign factories in Japan said that the pressure of the Japanese to obtain control of such foreign interests amounts almost to a "sort of patriotic principle." Elsewhere it has been suggested that Japanese interference with American and other foreign-owned industries in Japan may have the ultimate effect of causing the proprietors to transfer their interests to China.

When Will the War Play in the Pacific Become Stern Reality?

THE combined Atlantic and Pacific fleets of the U. S. Navy have just completed their 1933 maneuvers in the vicinity of Hawaii, this year's war-play being designated in naval parlance as "Fleet Problem, No. 14." The problem consisted in defending Hawaii and the American Pacific Coast against an enemy attack. It is of course, no secret that the hypothetical "enemy" was the Imperial Japanese Fleet. Admiral Richard Henry Leigh, Commander-in-Chief of the U. S. Fleet, announced prior to the beginning of the maneuvers that there would be no announcement of a winner or loser in this year's naval practice. The reason for this announcement was obvious.

Acting apparently on the premise that two can play at these naval war-games, the Imperial Japanese Navy has announced its intention of holding its maneuvers in August this year in the vicinity of what the Japanese term the "Southern Islands," otherwise the groups of small islands which dot the Pacific between the Philippines, American Samoa and Hawaii. These groups of islands embracing the Marianas, Marshalls and the Carolines are held by Japan under a mandate from the League. Formerly they belonged to Germany. Actually the islands, most of which are of volcanic origin, command the sea-route between the American home-coast and the Far East. There are thousands of these little specks in the broad Pacific and dozens of them would serve admirably as bases for submarines or naval planes. A hostile fleet based in these islands could play havoc with American shipping and probably would give the American naval authorities something much more serious to think about than "Fleet Problem, No. 14."

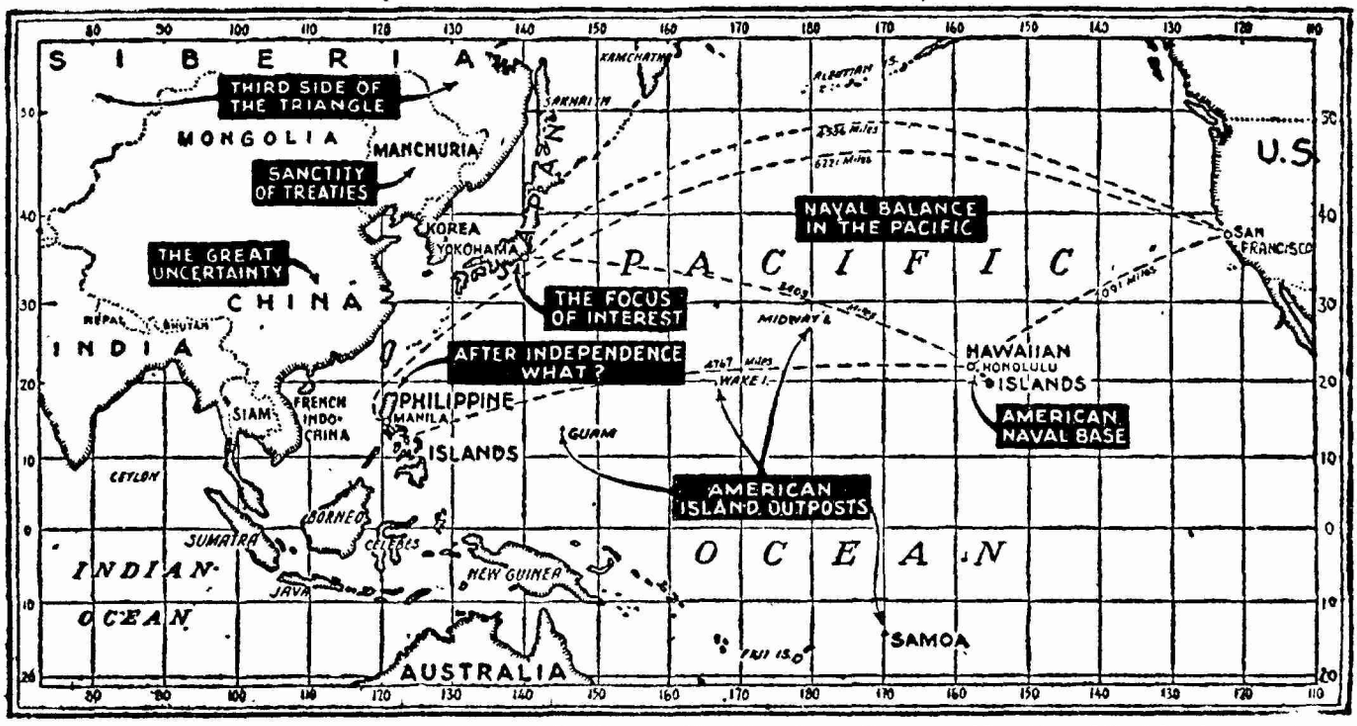
Since it was no secret that the hypothetical enemy in the case of the American naval maneuvers at Hawaii was the Imperial Japanese Navy, it likewise is no secret that the hypothetical enemy of the Japanese fleet in the forthcoming Japanese maneuvers, will be the American Fleet. In other words, the object of the Imperial Japanese Fleet in the forthcoming August naval war-games, will be to ward off an attack from the American navy. Also embraced in the Japanese naval strategy, in all probability, will be a plan to capture the Philippines and Guam and also a few other outlying American island possessions such as Samoa, Wake Island, and Midway, none of which are of much commercial importance but are valuable as cable landing stations or possibly as future landing places for Trans-Pacific aviators.

Recently in the course of the thus far abortive disarmament discussion at Geneva, someone charged that Japan had violated her mandate agreement over the Southern Islands by fortifying two of them, Saipan and Pelew. Japan denied that but admitted considerable money had been spent in the development of harbor works on the two islands. There is some significance in this announcement because both Saipan and Pelew are located almost directly east of the Philippines and are on opposite sides of Guam, an American possession. Saipan is about 200-miles north-east of Guam and Pelew is about 650 miles southwest of Guam. Both are along the line followed by the American-registered Commercial Pacific cable. Yap Island, a Japanese possession, where an important cable-landing station is located, is also in this same vicinity. Much was heard about the Japanese control of Yap Island during the Naval Limitation Conference at Washington (1921-1922) because it is at Yap that the cable from Shanghai and Japan joins the main line which runs from the Philippines to Hawaii and San Francisco. In the event of actual hostilities, Japan would cut the cable at Yap Island, thus severing the submarine telegraphic communication between America and the Far East. However, that would not be disastrous because of the present existence of wireless.

Now the important point to all this is that Guam Island, an American possession where a small force of some 200 Marines is maintained, lies in almost the geographical center of the area where the Imperial Japanese Navy is scheduled to hold its maneuvers. A recent article on this subject in *Time* Magazine put it this way, "Guam will lie in the thick of the Japanese maneuvers as a possible target for simulated attack."

Article 19 of the Naval Limitation Treaty signed at Washington on Feb. 6, 1922 and which still has three years to run, provided for the maintenance of the status quo with regard to fortifications and naval bases in the respective territories and possessions of the United States, Japan and Great Britain. This meant that none of these countries was permitted to increase its fortifications in the Pacific area beyond the existing status in 1922, with certain specified exceptions. In the case of America it meant there could be no further strengthening of the fortifications at Guam or in the Philippines. In the case of Britain it included fortifications located east of the meridian 110° east longitude, but did not include Singapore which is located slightly to the west of this meridian. The Singapore naval base is scheduled for completion in September, 1935, or about a year prior to the expiration of the naval limitation treaty.

Prior to the signing of this treaty the United States naval authorities had been engaged in the construction of strong fortifications at Guam which if completed would have converted that island into a Pacific Gibraltar. However, the construction of fortifications at Guam was discontinued and there has been no further strengthening of fortifications in the Philippines. Recently and apparently for the purpose of completely eliminating any possibility of Japanese suspicions with respect to America's intentions in the western Pacific, the fortifications at Guam have been completely dismantled and the guns shipped to Honolulu. A few weeks ago, Capt. Edmund S. Root, Governor of Guam invited the Japanese naval officers stationed at Taipan Island to visit the American outpost and make an inspection, the object being to convince the Japanese naval authorities that Guam is no longer of any strategic importance from a naval standpoint.



This map, reproduced from a recent issue of the *Kansas City Star* shows the general location of the island possessions of the United States in the Pacific area and also an indication of the so-called problems of the Pacific which are now a source of controversy between America and Japan.

Also, it has been reported, but not confirmed, that the United States as a friendly gesture will not send its Pacific squadron to Chefoo, China this summer for the customary exercises and target practice. According to the report the main strength of the fleet with the exception of a few ships will be kept at the Manila base. However, the combined Atlantic and Pacific fleets are to be kept in the Pacific pending a settlement of the present complications in the Far East, according to recent announcement of the new Roosevelt Administration.

So much for the naval phases of Japanese-American rivalries in the Pacific!

Turning to the political situation in the Far East there is no side-stepping the fact that relations between Japan and the United States are in a critical state. In some quarters it has been declared that the seemingly inevitable conflict between the two countries already has started, the clash now being in the economic stages but may at any time take military form. Japanese military leaders are telling the Japanese people that Japan's real enemy is the United States, this being due to America's policy in respect to the Manchurian situation which the Japanese believe to have been chiefly responsible for the action of the League of Nations. As for the United States there is a growing conviction that nothing short of force or the menace of use of a superior force will have any deterrent effect on the Japanese militarists. It is understood that this view is now held in U. S. Army and Navy circles and also in the inner circle of the Department of State, despite the fact there is prevalent a strong sentiment against the United States becoming involved in Far Eastern complication. But the real fact in the situation is that the United States already is involved and can no more afford to see Japan gobble up Asia and use the manpower and resources of this continent for world military domination, than she could afford in 1914 to see the Prussian junker class dominate the continent of Europe. Obviously neither the United States nor the rest of the world can afford to permit any one nation to destroy the entire treaty fabric upon which present day civilization and international morality are based. It was known all along that the verdict of the League would not stop the Japanese military clique, but it is natural there will be numerous preliminaries before the United States either in cooperation with the League or in some other manner will be ready for the next step. As the situation stands in the United States at the present there are two fairly well defined schools of thought, one favoring full cooperation with the League even to the extent of American membership. The other group opposes all tendencies for the United States to hook up with the League and prefers proceeding under the Washington Conference treaties which contain machinery for calling a conference of the Powers signatory to the Washington agreements. What the final outcome will be no one can forecast at this time, but a recent survey of press opinion in America disclosed the significant fact that not a single important newspaper has defended Japan's course in Manchuria, although several important papers are strongly of opinion the United States should not become involved in the controversy.

One of the best expressions of American editorial opinion on Japan's decision to withdraw from the League and defy the world, was that which appeared in the Washington *Post* on February 26 under the title, "Japan's Fateful Step," the text of which was as follows:

> Japan has taken the fateful step of breaking off relations with the League of Nations, and is following this by making war against China. The assembly of the league, by a vote of 42 nations, holds Japan responsible for aggression in Manchuria.
>
> On the day when Japan antagonizes practically all nations, the policy of the

United States is set forth by President-elect Roosevelt's Secretary of State, Cordell Hull, as follows:

> There should be no laxity on the part of this or any other nation in the observance of both the letter and spirit of treaties and of international good faith.

The assembly of the league has appointed a committee of 21 to advise it as to events in the Far East, and has invited the United States and Soviet Russia to appoint representatives on the committee. The United States may or may not accept this invitation, but its co-operation with the nations in holding Japan to account is inevitable; not because of any obligations to the League of Nations, but because Japan is guilty of a breach of "the letter and spirit of treaties and of international good faith."

Whatever the course of events in the Far East from now on, the world indictment against Japan stands, and can not be effaced. As though she were driven by giant forces beyond her control, Japan moves step by step into a position from which she can extricate herself only by slow and painful means if she is to regain an honored place among the nations.

Mr. Matsuoka, in his final word before stalking from the representatives of the nations, stated that "Japan will make the utmost efforts for establishment of peace in the Far East and for maintenance and strengthening of cordial relations with other powers."

The world stands amazed at the blindness of Japanese diplomacy in thus assuming that Japan can maintain cordial relations with other powers while trampling upon treaties which she has made with them. They do not intend to take her by the throat in Manchuria, it is true; but the Japanese Empire is concerned with many matters besides the Manchurian adventure. As events are developing it is a certainty that the world powers must and will place Japan in the special category of a nation that can not be trusted to observe international good faith.

What is the signature of Japan now worth at the bottom of a treaty for the reduction or limitation of armaments?

What value can be attached to the pledge of Japan in any treaties or agreements resulting from the proposed world economic conference?

Is the purpose of the Roosevelt administration to associate itself with Japan in international conferences, as an honored equal, in spite of Japan's breach of treaties and of international good faith, after Mr. Roosevelt has held that "the sanctity of treaties is the corner stone upon which all relations between nations must rest"?

The logical consequence of Japan's breach of treaties and war aggression is the breaking of diplomatic relations. The nations have been hoping that this step could be avoided by a change of policy on the part of Japan. If the break comes it will not be the fault of the nations. It will be because Japan forces the nations to take notice that they can no longer deal with her on the basis of respect for treaties and the observance of good faith.

It is not because Japan flouts the assembly of the League of Nations that the nations will be forced to deal with her in a special manner. If there were no league of nations the fact would remain that Japan had made herself an outcast by dishonoring her own signature to treaties pledging peace and respect for the rights of other nations. The current flowing from such a foul source can run in only one direction—toward a rupture of relations. What will follow afterward depends upon the degree of insanity with which Japan's policy is tainted.

Japan's Financial Danger

A *RENGO* telegram from Tokyo published in *The Review* last week referred to the current Japanese budget as reaching "the staggering figure of some Yen 2,339,000,000, the first of the kind in Japanese history." Many Japanese view Japan's stupendous expenditure with misgiving and dismay. Among the stronge t critics of the budget is the *Osaka Asahi*, which pointed out that the fact that there was only one dissentient vote to the budget in the House of Peers did not show that the budget was popular among the people. No Japanese, says this prominent Osaka paper, discusses the future prospects of Japanese finance without grave concern. The sole exception is perhaps Mr. Takahashi, the Finance Minister. Even the Seiyukai, the most confirmed exponent of positivism and optimism, shares the general pessimism regarding the financial future of the country. The only possible explanation of the complete failure of the Legislature to reflect the general sentiments of the Japanese people is probably the "emergency" of the national situation. The *Asahi* feels that only on the ground that the "national emergency" has inevitably distorted parliamentary politics to a certain extent, can this glaring divergence in the atmosphere inside and outside the Diet be accounted for. Nobody can deny, the *Asahi* proceeds, that there is a grave national crisis, but there is no reason why, because there is an emergency, the Government's financial and economic policy should be uncriticised. When the structure of national finance and economics is tottering to its fall, the nation cannot live at ease within it, no matter how fine the furniture. Japan has a strong navy and a gallant army, but how can the nation enjoy a secured life, when, as at present, national finance and economics are at sixes and sevens? In the international position in which Japan is now placed, the Osaka journal proceeds, she must be prepared for a measure of pressure being brought to bear upon her by the Powers, but it must be remembered that this pressure will not be military, but economic. Even though in some cases, armed force is required to resist economic pressure, the last line of defence must always be the nation's economic power. Where armaments are increased at the cost of national economic power, there can be no security, the *Asahi* points out.

In this connection the *Asahi* comments:

> Indications are already visible in America which point to a resumption of a competition race in naval building. The danger of this race lies in the fact that it is carried on interminably, and who can gainsay that the worst will happen as the inevitable outcome? The true meaning of national defence is to defend one's country against foreign invasion; it should not be carried to the point of provoking others to warfare. The tendency to a resumed naval competition must, therefore, be checked before it is too late. The Osaka journal regrets to observe that the Government authorities are indifferent to this grave phase of the situation. They are too ready to acquiesce in the demands of the Services, even if acceptance involves the country in heavy debt. On the other hand, the Diet swallows an enormous Budget without criticism, on the excuse of the emergency of the national situation. What will become of Japan in these circumstances? What is done cannot be undone, but it is up to the whole nation to consider seriously and deeply the future course of

(Continued on page 160)

Chinese Troops Hold on Grimly at Hsifengkow

There has been little change during the week at Hsifengkow, where not only are the Chinese resisting stubbornly, but occasionally counter attacking. A Tokyo despatch March 20 stated that the Japanese detachment, with a view to relieving the pressure from Chinese attacks at Hsifengkow, had crossed the Great Wall March 18 and occupied Sahochiao, about nine miles south-west of Hsifengkow. After heavy fighting, the Chinese are said to have retreated towards the south-east. The main force of Major-General Suzuki's Brigade started a general attack early on the morning of March 20 on the Chinese troops holding their positions around Lowenyu. The Chinese had taken the offensive the previous day when they launched a counter-attack on the Japanese with a heavy artillery bombardment. Both sides suffered heavy casualties, according to reports.

General Pang Pin-hsun's 40th Army started moving in the direction of Hsifengkow March 19 from its base between Tangku and Tungchan. This movement was

The latest portrait of Marshal Chang Hsueh-liang, former head of the Manchurian administration, now living in Shanghai with his family.

understood to be due to an arrangement between General Chiang Kai-shek, Gen. Sung Chieh-yuan and Gen. Pang Pin-hsun, who met at Paotingfu on March 18. Besides Gen. Pang's army, the 2nd Division of the Government army at Tungchow is preparing to proceed to the front to reinforce the other Chinese troops.

Fierce fighting raged at the Chiehling Pass, which is west of Shanhaikwan and east of Hsifengkow along the wall, on March 21. The engagement at said pass started early on the previous morning, and become intensified with the continuous arrival of Japanese reinforcements. Despite terrible sufferings under the heavy artillery and aerial bombardment of the Japanese, the Chinese were still in possession of the pass on the evening of March 21.

The spirit of the Chinese troops was exemplified at Peiping early in the week when 30 Chinese soldiers, who had been wounded in previous fighting with the Japanese, having recovered from their injuries in Peiping hospitals again took up their stations with their various units at the front.

The grim nature of the struggle may be gathered from the fact that a consignment of 2,000 coffins was sent early in the week to the Hsifengkow area for the burial of Chinese soldiers killed in the recent fighting. The men who were killed belong to General Sung Che-yuan's forces.

General Muto to Go to Hsifengkow Front

According to Chinese military reports received in Peiping, the Japanese military authorities in Manchuria have decided to send two additional divisions to the front along the Great Wall, to reinforce the Japanese forces now engaged in desperate fighting with the Chinese. General Muto, Commander of the Kwantung Army, is reported to be leaving for the Hsifengkou front shortly to direct operations in person.

Japanese Say Sung Che-yuan's Army Has Retreated

According to a Peiping message received in Tokyo March 20—instead of General Sung Che-yuan's army on the Hsifengkow front being successful, it has transpired that the army under General Sung has not been able to withstand the heavy blows that have recently been dealt by the Japanese and that his army show signs of retreating south in disorderly manner. As such disorderly retreat will cause no small confusion to the peace and order of the Peiping and Tientsin Districts, Generalissimo Chiang Kai-shek is stated to have ordered a quick move of the 44th Division of Central Army stationed at Tungchow to Sanho and Yutien districts, with the object of checking the falling back of ex-North-Eastern Army and the mixed armies from the north front. The total number of troops of the Central Army now in the north is put at over 20,000, including the men from the 2nd, 25th and 83rd Division, who are being stationed outside Peiping and at places along the Shaho River; some are at Shihkowchen and Miyun, also the 44th Division and a few others.

Within the wall of the Old Capital, there are 500 Central gendarmerie, while another 500 cavalrymen from the Central gendarmerie are at Chinhochen.

Leaving the 115th Division and the 3rd Cavalry Division at the first front near Shanhaikwan, all Chinese troops, including the 109th Division, started to withdraw from the Shanhaikwan area on March 19, according to Japanese reports. It is said that they are retreating as far as Lwanchow at the order of Gen. Ho Ying-ching. Gen. Ho Chu-kuo's 3rd Army has also retreated to Lwanchow.

Japanese bombers are active along the Jehol border. A giant bomber of the Japanese army dropped numerous bombs on about 1,000 Chinese troops near Tsinghopienmen March 18, while it was reconnotring over over the area north of Yichow.

Three watch-towers on the Great Wall near Lingkow pass were destroyed by the Japanese bombs on the afternoon of March 20 while the Japanese bombers were bombing the first line of the Chinese army, according to a Japanese report.

According to Chinese military reports from the front, the right wing of the Japanese troops on the Hsifengkou front was wiped out by March 17 while the left wing was surrounded by the Chinese forces under General Sung Cheh-yuan. Three regiments of Chinese troops have succeeded in getting to the rear of the Japanese forces and are attacking the Manchukuo forces, on the second line of defence. According to Chinese official reports, at least fifty-three Japanese officers have been killed in the recent engagement at Hsifengkou. Casualties on th Chinese side are also heavy. The high land in front of the Hsifengkou Pass has been recaptured by General Sung's forces. On March 15 the Japanese troops at Hsifengkou, after receiving reinforcements from the rear, launched a renewed offensive against the Chinese position

from three directions. At the same time twenty Japanese airplanes conducted a vigorous raid on the Chinese lines. However, the Chinese troops put up a determined resistance and the bombs dropped from the Japanese airplanes failed to make any impression on the defenders.

Heavy Chinese Casualties on Kupeikow Front

Information from Chinese military sources reveals that the Chinese troops at Kupeikow suffered heavy casualties in the recent fighting. One brigade of General Wang Yi-cheh's troops has practically been wiped out. General Ting Hsi-chun, a divisional commander, is believed to have been killed in action.

General Sung Gets Support from General Chiang

General Sung Che-yuan in an interview at Peiping March 20 reported that upon the conclusion of major fighting in Jehol, the 13th and 14th Japanese brigades launched a general offensive on his troops at Hsifengkow on March 9. Fighting occurred on March 9, 10 and 11 and especially on the 13th. The Chinese sustained nearly 5,000 casualties. The battle at Laoposhan was the severest. The Japanese at Luanping and Pingchuan have since been summoned to attack the Chinese troops at Lowenyu, 7 miles north of Tsunhua, where they have been repulsed by Lt.-General Liu Ju-min.

With reference to his visit to Paoting, Gen. Sung continued, he was assured by General Chiang Kai-shek, President of the Military Affairs Commission, of the firm determination of the Central Authorities to resist the Japanese invaders. Reinforcements have been sent by General Chiang to assist him and these consist of seasoned fighters.

General Han Fu-chu at Paotingfu

General Han Fu-chu, Chairman of the Shantung Provincial Government, arrived at Paotingfu March 20. After seeing General Chiang he returned to Peiping where he had another meeting with General Ho Ying-ching. General Han remained in Peiping for a day or two and then returned to Tsinan.

A *Kuo Min* message from Peiping March 19 stated that General Sung Che-yuan, Commander of the 29th Army, passed through said city that morning en route to Paoting to consult General Chiang Kai-shek, President of the Military Affairs Commission. Interviewed by press representatives at the railway station, General Sung expressed deep gratitude for the people's moral and material support given to his army at the front.

General Chang Hai-peng "Flops Over"

General Chang Hai-peng, Manchukuo's field Commander-in-Chief, has been selected by the Japanese as the successor to General Tang Yu-lin as Governor of Jehol. He arrived with 3,000 Manchukuo cavalry corps, at Chengteh March 19. Upon arrival General Chang entered the former imperial villa in Jehol and saw Lt.-General Nishi, who had commanded the Japanese troops which captured Chengteh in co-operation with Manchukuo forces. He was expected to proceed to Changchun during the week for a conference with the Japanese. His formal assumption of office as Governor of Jehol is scheduled to take place after his visit to the Manchukuo capital.

Nanking Brings North Under More Firm Control

A recent *Rengo* (Japanese) telegram from Tientsin pointed out that although the concentration of Nanking troops in North China, has apparently been for national defence, it has been instrumental in bringing the territory definitely under the control of the Nanking Government, which is now rushing through a program of ousting the leaders in political and military activities of the former Chang Hsueh-liang regime.

Against this, the Japanese message says there are indications that a secret movement has been begun by such discontented men as Generals Chang Tso-hsiang, Ying Chin and Kao Chi-i, who have practically lost all political power. There are also reports that General Chang Tso-hsiang has sent in his resignation and is taking shelter in a foreign concession in Tientsin.

These people are believed to have taken the initiative of an anti-Chang Kai-shek movement, which is gradually being joined by Generals Yu Hsueh-chung, Wang Shu-chang, Wang I-che, Wan Fu-lin, Ho Chu-kuo and others of the former North-Eastern Army, who are described in the Japanese telegrams as being at present "generals only in name."

During 10 days previous to March 19, the 29th Army had been engaging the Japanese and the casualties suffered by the Chinese Army were from 3,000 to 4,000 killed or wounded. The majority of them received treatment at the hospitals in Tsunhua and Tungchow.

Tsai Ting-kai Says He Will Proceed North

General Tsai Ting-kai, commander of the 19th Route Army which resisted the Japanese at Shanghai a little over a year ago and who later was Pacification Commissioner of Fukien, recently sent a telegram to General Oong Chao-yuan, commander of the 117th division now stationed in the Peiping area, that he is making preparations for an expedition to North China to assist in resisting the Japanese invaders. Both General Tsai and General Oong fought in the Sino-Japanese conflict in Shanghai last year.

Tense Situation at Tashih-ho

The situation on the Tashih-ho front suddenly become tense on March 20 as the Japanese prepared for an attack of the Chinese positions there in order to threaten the flank of General Sung Cheh-yuan's troops at Hsifengkou. The Chinese first line of defence at the Tashih-ho front was taken over by General Shang Cheng's forces whilst those under General Ho Chu-kuo have been withdrawn to Changli and Luanho, where new trenches were dug as a precaution against emergencies.

Wreckage and destruction on the main street of Shanhaikwan caused by Japanese artillery and airbombing when the Japanese occupied that city on Jan. 1.

Critical Situation at Tientsin

A Tientsin telegram March 20 stated that there are four Japanese warships anchored at Taku, and these vessels are turning their searchlights on Taku city and its suburbs every night. It is understood that the Japanese military authorities have already unofficially notified the Chinese authorities at Tientsin, that if the Chinese troops will not abandon their attempt to counter-attack Jehol, Japanese troops at Tientsin will be "compelled to take necessary action." Several Chinese newspapers express the opinion that a clash between the Chinese and Japanese troops at Tientsin is inevitable.

Chengchow Under Martial Law

Chengchow, Honan, is reported in a recent Japanese telegram to be under martial law. The same report states that, taking advantage of the transfer to north of the Central armies from Honan, the anti-Government communist army in the western of Honan has been gradually moving eastwards and some 2,000 communist troops have made their appearance at a point ten miles from Chengchow.

Soviets Believe Japanese Will Advance Beyond Great Wall

Krasnaya Svezda, the organ of the Red Army, March 14, published an article written by a military expert who reaches the conclusion that Japan will not content herself with the conquest of Jehol but will attempt to gain control over the entire region of Peiping and Tientsin so that events of great importance and consequence may soon take place in North China.

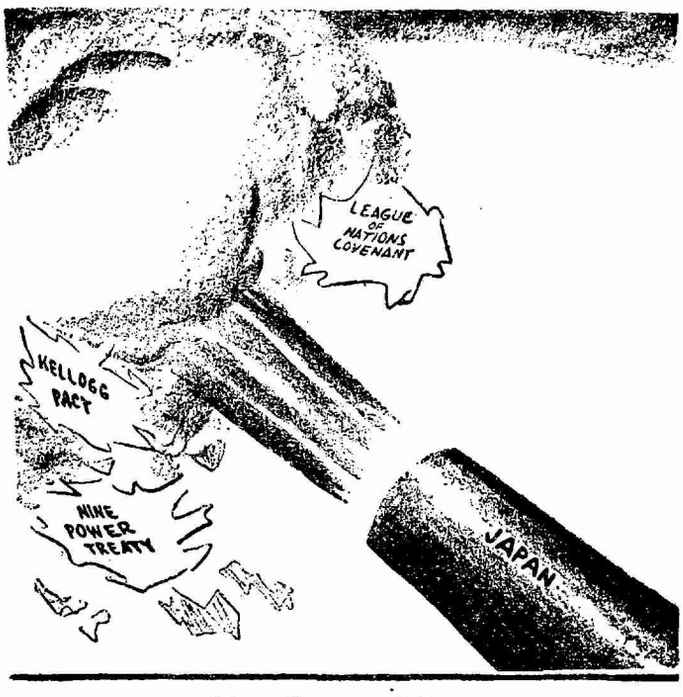
Shanghai Kuomintang Asks Chiang Be Given Highest Military Command

The Shanghai Municipal Kuomintang Office has addressed an urgent telegram to the Central Government requesting that General Chiang Kai-shek be reappointed Commander-in-Chief of Chinese Army, Navy and Air

Forces. They point out that only through this appointment can military command be unified.

How the Chinese Troops in North China Are Lined Up

Japanese advices from Tientsin stated that an unusual interest is attached to the new line-up of various Chinese northern troop units recently announced by the military headquarters. The new plan consists of four army corps and two independent corps, comprising all of the former subordinates of Marshal Chang Hsueh-liang, General Yen Hsi-shan and Feng Yu-hsiang. The differently colored troops are stationed in such a manner as to maintain the balance of power among themselves while reserving the strategical supremacy to the Nanking forces. The newly announced line-up is as follows:



More Scraps of Paper

—Fitzpatrick in the St. Louis "Post-Dispatch."

Commander-in-Chief of the Northern Troops, Gen. Ho Ying-chin;

Commander of First Army Corps (headquarters, Tientsin), Gen. Yu Hsueh-chung;

Commander of Second Army Corps (headquarters, Kaiping); Gen. Shiang Chen;

Commander of Third Army Corps (headquarters, Tsunhua), Gen. Sung Tieh-yuan;

Commander of Fourth Army Corps (headquarters, Miyun), Gen. Wang Fu-lin;

Commander of Independent 67th Army Corps (headquarters near Kupeikow), Gen. Wang I-che;

Commander of Independent 41th Army Corps (headquarters, Yenching), Gen. Sun Kuei-yuan.

A military conference took place at Paotingfu on the morning of March 20 attended by most of the leading commanders in the North. Military policy towards Manchuria and Jehol was the principal topic discussed.

Dead Body of Captain Ishimoto Found

The dead body of Captain Gonshiro Ishimoto, who was sent by the Kwantung Army to Jehol last autumn to negotiate with Gen. Tang and was kidnapped by the Vounteers, was found near Talingho river a point four kilometres east of Chaoyang on March 19. His body was sent to Chaoyang where it was identified by his brother.

Thirty-Eight Japanese Ships, 8,000 Sailors Patrolling China Coast

The following official report giving the strength of Japanese naval forces now patrolling the China coast was made public by the Japanese Navy Department on March 7,

"The second overseas squadron, commissioned for guard duty along the coasts of North China and Manchukuo, consisted of the warship Hirato (the flagship of the Commander) and three destroyers of the 16th destroyer flotilla, but immediately after the Shanhaikwan affair of January, the warship Tokiwa was added to the squadron. When the clean-up campaign in Jehol was launched by the Japanese and Manchukuo troops, the naval authorities took the necessary steps to prevent the recurrence of such unfortunate incidents as often occurred in similar circumstances, namely, Chinese instigation of anti-Japanese outrages deliberately to aggravate the situation and their encroachment on Japan's legitimate rights and interests to put the lives and property of the Japanese residents in serious jeopardy, and also to meet all untoward exigencies. That is to say, the special-service ship Shini (an aeroplane-carrier) left Sasebo on February 18th, the warship Tama left Maidzuru on February 21st, and four destroyers of the 15th destroyer flotilla left Kure to join the second overseas squadron. The seas about Shanhaikwan, Chinwangtao and Taku are frozen for a distance of about 10 miles from the shore, and drift ice is also considerable. In these difficult conditions, the squadron maintained contact with land and is discharging its guard duty from the sea effectually. Except for the Tokiwa, now at Tsingtau, the whole of the second overseas squadron (ten warships and destroyers, and a number of aeroplanes) are now doing duty off Shanhaikwan and Chinwangtao.

"Besides the above, the Third Squadron is doing guard duty on the Yangtse and the ships belonging to the Mako Secondary Naval Station (Formosa) on the coast of South China. The naval strength on duty at present in Chinese waters is 38 ships, with a total personnel of about 8,000. Up to the present, no very serious situation has developed anywhere."

Dr. Soumay Cheng, China's First Woman Lawyer, Charged with Misappropriation

Warrants have been issued by the Kiangsu High Court for the arrest of Dr. Soumay Cheng, China's first woman lawyer and Yang Shao-hsiung following their failure to appear before the Nanking court to answer charges made against them. Dr. Cheng and Mr. Yang were former presidents of the Shanghai (Nantao) District Court and are alleged to have misappropriated funds. Other court officials alleged to be involved are Mrs. Yang Shao-hsiung, who is Dr. Cheng's sister, and a former clerk of the court.

The case is a sequel to an impeachment brought up by the Control Yuan. In the statement of impeachment, the Yuan charged that Dr. Cheng, while in office as president of the Shanghai District Court (Nantao), misappropriated a sum of about $40,000 which consisted largely of cash securities put up by litigants. It was also alleged that while Dr. Cheng was president of the Court, her sister, who later became Mrs. Yang Shao-hsiung, also served in an important capacity in the court. Mrs. Yang was charged with collusion with her sister in the alleged misappropriation. As for Yang Shao-hsiung, it was alleged that when he succeeded Dr. Cheng as president he connived at the offense and hushed the matter up. The Control Yuan charged him therefore with complicity in the offense.

All three accused are stated to have left Shanghai for an unknown destination.

Chase Bank Cuts Loose from Securities Concern

The Chase National Bank, one of the largest banks in the world, has divorced its securities affiliate the Chase Securities Corporation. The action follows a similar decision by the board of directors of the National City Bank which recently decided to separate the bank completely from its securities affiliate, the National City Company. Other New York banks having securities companies will probably take the same action, recent advices from New York stated.

The action of the Chase Bank is in line with the policy of the Rockefeller interests, which are large owners of Chase shares, and against the policy of J. P. Morgan and Company and other large financial groups. The following members of the Chase Bank's directorate have resigned as members of the Board of Directors of the Fox Film Corporation: Messrs. Cornelius Vanderbilt, Mathew Brush, C. E. Richardson and F. Aldrich.

Wang Ching-wei---Leader of China Renascent

BY TANG LEANG-LI*
Editor of The People's Tribune

THE history of Modern China is the history of Dr. Sun Yat-Sen, the Father of the Chinese Republic and Perpetual President of the Kuo-Min Tang. Unfortunately, Dr. Sun was unable to complete the work of national reconstruction and accomplish the mission of the Chinese Revolution. He died on March 12, 1925, leaving his work unfinished, for others to carry on.

The guardian of the revolutionary heritage is by popular acclamation his collaborator and confidential friend Wang Ching-wei, and the history of the Chinese National Revolution after the death of Dr. Sun is thus largely the history of Wang Ching-wei's public career. The embodiment of the national-revolutionary spirit, the champion of the rights of the people, his political fortunes reflect the ebb and flow of the revolutionary tide.

Wang Ching-wei's Youth

Wang Ching-wei's proper name is Chao-Ming, the name give him by his parents and which he uses for his usual signature. The name Ching-wei is the courtesy name, which he adopted, in accordance with ancient custom, when he occupied his first public position as editor of the *Min Pao* in Japan. It is under this name that he is now known in China and abroad.

Wang's father, Wang Shu, was a Chinese scholar who emigrated from the province of Chekiang to Canton, where he married when quite young. Out of this union were born a son and two daughters. After the death of his first wife, Wang's father was married again, to a beautiful Cantonese girl, who bore him three daughters and three sons, of whom Wang was the youngest. At the time of Wang's birth, on the lunar 28th Day of the 3rd Moon in 1883, his father was already sixty years of age.

Life as a Tutor

Admitted at the age of fourteen to one of the Canton Shu-yuan, Wang's academic and professional career proved to be one of the most successful. His salary as a private tutor gradually increased from four to thirty taels by the time he reached the age of nineteen, which was an enormous sum for a young scholar without a degree.

In 1902 Wang submitted himself to the first literary examination, obtaining the degree of Hsiu-Ts'ai with ease. But the events in connection with the Boxer Movement opened his eyes and killed his desire to compete for the higher degrees which were to qualify him for the superior grades in the civil service. He began to lose faith in the Manchu Dynasty.

The opportunity to go abroad came sooner than he expected. Already the following year, in 1903, a special examination was organised by the Kwangtung Provincial Government with a view to selecting promising students for study abroad. Wang was among the successful candidates, and at the age of twenty he went to Japan as a Government scholar, after confiding his two sisters-in-law and nephew to the charge of his elder brother and his two other sisters.

A Student in Japan

In Japan, Wang took a course in economics and political science in one of the law colleges of Tokio, obtaining without much difficulty the degree of LL.B. in 1906. For the first two years he devoted himself entirely to his studies, leading a fairly comfortable life on the remittances which were sent to him regularly by the Imperial authorities. During the closing year of his academic career, however, he openly joined the revolutionary movement under Dr. Sun and soon became a leading member of the Tung-Meng Hui. The Chinese Government, as may be expected, cancelled his scholarship and stopped his remittances. His family also disapproved of his revolutionary activities, and partly on account of this, and partly to protect them—in strict law not only was the plotter against the Dynasty himself liable to be put to death, but all his relatives—Wang felt constrained to request his brother, who was the head of the family, to remove him from the family roll. His supplies cut off, he had now to depend for his livelihood on writing poorly-paid articles for the papers and on doing badly renumerated translation work, from the Japanese into Chinese, of books concerning political and economic problems.

The Revolutionary Propagandist

Among Dr. Sun's disciples Wang Ching-wei soon attained to a place of great prominence. He became the principal recruiting officer of the League. At the meetings, organized by the Chinese emigrants at Tokio, he spoke, rebutted, and attacked, improvising on the historical past, on philosophy and politics, with a magnetic eloquence, full of humor, intermingled with passion, sincerely and persuasively. At that time already, Wang revealed himself as the greatest orator of the country,

The most influential of the members of the Editorial Board of the famous revolutionary monthly *Min Pao*, he was the principal exponent of the ideas of republican nationalism and of democracy in China, the chief controversialist against the Constitutional Monarchists whose organ, the *Hsin Min Tsung Pao* (The Journal of the New Nation), attacked him bitterly. The issue between reformist constitutionalism and revolutionary republicanism was mainly decided by the intellectual duel between Wang Ching-Wei and Liang Ch'i-Chao. Wang was victorious in the end, with the result that the *Hsin Min Tsung Pao* soon ceased publication for lack of readers. And he also succeeded in converting the numerous unattacked and wavering students abroad to the revolutionary ideas.

The Attempt on the Prince Regent

As the result of a series of military failures between 1907 and 1909, however, a wave of pessimism swept over the members of the Tung-Meng Hui—also over Wang who, after the Hokou debacle in 1909, had gone back to Japan to take charge of Party Affairs. Wang had come to the conclusion that only some sensational action could restore the *morale* in the Party. In spite of the fact that his head carried a price of 50,000 dollars if dead, and 100,000 dollars if alive, he decided to return to China and secretly joined the small terrorist group which at that time was being organized by some members of the Tung Meng-hui, consisting of Miss Fang Chun-ying of Fukien, Miss Tseng Hsing, her sister-in-law, Miss Chen Pi-Ch'un, the daughter of a rich Penang merchant and the future Madame Wang Ching-wei, Li Chung-hsi, a Cantonese, Huang Fu-sun, a Szechuanese, and Yu Yuen-chi, a student of pharmacy at Chiba and the author of a well-known book on explosives. Nobody knew of Wang's intentions except Dr. Sun, Huang Hsing, and Hu Han-min, who strongly disapproved of his plan. Wang, however, decided to disobey, and wrote to that effect to Sun and Hu who were at that time in Singapore. They first planned to assassinate the Viceroy of Liangkwang, but for tactical reasons changed their plans and proceeded to Hankow. Here they came to the conclusion that a coup at Hankow would not create the same moral effect as it would at Peking, the stronghold of the Manchu Dynasty.

But during the several months of the journey between Japan and Canton, and between Canton and Hankow, the funds of the conspirators dwindled away. Thus, Miss Chen Pi-ch'un decided to return to Penang to persuade her mother to sell her valuables to finance the assassination. Wang Ching-wei returned to Tokio for the purpose of resuming the publication of the *Min Pao*. Only two issues came out.

When everything was arranged, Miss Chen, Li Chung-hsi, Huang Fu-sun and Yu Yuen-chi left for Peking in December 1909. Wang, having made sure of their arrival in Peking, left Tokio in January 1910, taking with him explosives and several copies of the Min Pao, all hidden inside the lining of his clothes. Miss Tseng and Miss Fang were left behind at Tokio.

Having safely arrived at Peking, he immediately went with Miss Chen in search of the Prince Regent, at whom he intended to throw the bombs which he carried with him. They had no chance, however, of coming anywhere near to him, as he always left his palace closely guarded, with the streets, through which he passed, closed. They decided to use an electro-bomb for the purpose, and intended to rent a house in Yen-tai Hutung, one of the thoroughfares utilized by the Prince Regent. From that house they could secretly place the bomb in the street, and blow up a considerable part of it. But this street was densely populated and would cause unnecessary bloodshed. Humanitarian considerations made them decide to chose Shih Ch'a Hai, a deserted street passing through a field with a bridge on a lake. They placed the bomb under the bridge, working for three nights to finish the work. On the third night, *i.e.* March 28, they waited for the Regent to pass. Unfortunately, at about 3 a.m., one of the comrades touched a sleeping dog, which started barking. This incident caused other dogs who were sleeping in the

*This article has been slightly condensed owing to limitations of space.

neighborhood, to bark too. The bridge was near the Regent's palace, with a police station in the vicinity. The police got alarmed, and inspected the whole neighborhood with projecting lamps.

The conspirators knew that, owing to the barking of the dogs, the whole plan was frustrated for the moment, and, there being no hiding place near by, they ran away before it was too late.

The police found traces of digging near the bridge. On closer examinations they discovered iron tubes and wires containing suspicious matters. They did not know, however, anything about it, and thus reported the matter to the Civil Department. This Department sent out an expert, who found out the deadly nature of the mechanism, which contained no less than fifty pounds of dynamite. He at once understood that the bombs was intended for the Prince Regent.

For the present, with no more explosives at hand and with the capital closely guarded, there was nothing more for the conspirators to do. Miss Chen, Li and Yu thus returned to Tokio to see Miss Tseng and Miss Fang about a second dose of explosives. Wang and Huang, however, remained at Peking. Wang did not get away for fear of being recognised by former fellow students belonging to the reactionary eamp. Huang stayed on to keep him company.

In Peking, Wang stayed at a secret address in San Ta Tze Hutung; Huang at a photographer's studio, the Hsiu Chen Studio. The discovery of the plot took place in the early morning of the 28th of March 1910. In the afternoon, Huang, rather carelessly went to Shih Ch'a Hai, to the bridge, to see what had happened with the dynamite, not realising that by so doing he put himself under suspicion and gave the police, who of course put a watch on the place, some definite clues. As it happened, he was followed on his return to the studio by two police spies who had been waiting there disguised as bird-sellers. Nothing happened, however, until the following day, when Miss Chen, Yu and Li left Peking for Tokio. On that day Wang went to the railway station to see them off. When the train was leaving, Wang, who was always politeness itself, inadvertently took off his hat to bid farewell, betraying his false queue (the sign of a revolutionary) in so doing. He, too, was followed by police spies, and it was not long before the police also discovered his secret lodging place.

On the 16th of April, the police decided to raid Huang and Wang's hiding places. In the studio, where they arrested Huang, however, they could not find any incriminating things. They were more fortunate at Wang's place, where they found, besides Wang himself, several revolvers and electric wires and tubes for dynamite. They would also have found a secret address book, had they made the raid in a more quiet manner, and not put Wang on the danger track by the noise they made in the street previous to entering his house.

Wang was put under arrest and brought to the Central Police Station. Here at the preliminary examination, he startled everybody by disclosing without hesitation his real name. Nobody would believe him, thinking that he was a lunatic, and so the matter was referred to the Civil Department, which sent for some ten high functionaries, Wang's former schoolmates, to identify him.

Wished to Arouse the Public

After the identification, a second interrogation took place. He was asked about the motive which prompted him to attempt at the life of the Prince Regent. In reply he wrote down a brief statement of twenty-one words: "Ching-Wei wants to perform some extraordinary and sensational act for the purpose of arousing, from the most important place (i.e, the Capital) of the world (i.e. China), the people." When asked why he took with him, concealed in his clothes, copies of the *Min Pao*, he answered "These articles were written in ink; I wanted to translate them into blood."

At that time, political and military power at the Manchu Court was in the hands of seven Manchu nobles, useless creatures, corrupt and inefficient. They were all afraid of the revolutionaries, for although the attempt had failed, the very fact that Wang, a prominent revolutionary leader, with a price of some 100,000 dollars for his capture, had dared to enter Peking, was enough to create something like a panic in Court circles. Owing to the moderating influence of Prince San Ch'i, the Secretary of Civil Affairs, revolutionaries arrested for no serious offence were as a rule only imprisoned, and not executed as previously. The question of Wang, however, was different. His crime was one of the most serious, the attempted assassination of the acting Head of State. Thus the question was referred to the Prime Minister, the uncle of the Prince Regent and the de facto ruler of China.

The Prime Minister, a coward, had on hearing the news of the attempted assassination, applied for a short leave of illness, being afraid to leave his residence to attend to the affairs of State at the Prince Regent's palace. Wu Lu-chen, a member of the League who had risen to the rank of a divisional commander in the Northern Army, got to know about this, and left his station at Lanchow for Peking to see the Prime Minister. He told him that Wang was a prominent revolutionary who was beloved by everybody. He thus advised him to treat him leniently, and not have him condemned to death, as he was sure that Wang's decapitation would be savagely avenged. The Prime Minister became still more frightened, and was persuaded to advise the Prince Regent to condemn Wang and Huang only to life imprisonment.

Thus Wang was to serve his life-sentence. He was removed to the famous Civil Prison, the Bastille of China, where for the past 600 years all famous political prisoners had been confined or executed, such as the anti-Boxer Secretaries in 1900, and the pro-Boxer Secretaries in 1901—resigned to meet his death in three years' time, the normal life-time of the old Chinese life-prisoners, when the outbreak of the Republican Revolution secured him his freedom again and brought him to prominence again, first as Chairman of the Peking-Tientsin Branch of the Tung-Meng Hui, then as a delegate to the Shanghai Peace Conference.

Refusal of Honors

With the establishment of the Provisional Government and the assumption by Dr. Sun of the Provisional Presidency of the Republic 1912, Wang was successively offered the Tutuhship of Kwangtung, a post in the Cabinet, and the Presidency of the Tung-Meng Hui, all of which however he declined. To be an official was the last thing he would desire, while to take up the Presidency of the Tung-Meng Hui he regarded as improper vis-a-vis Dr. Sun, his leader. Moreover, for nearly ten years he had been engaged in active revolutionary work and had little opportunity to study. He wanted to see foreign countries and so after marrying his comrade-in-arms Miss Chen Pi-ch'un and, supported by his relatives and friends, left for France in August 1912, to return only in 1917 at the urgent request of Dr. Sun whom he served as friend, counseller, and confidential secretary until his death—being, for instance, the author of Dr. Sun's most important manifestoes and the drafter of his last will.

The Leader of the National Revolution

The death of Dr. Sun on March 12, 1925, however, forced Wang into the foreground and to assume, against his personal inclinations, the official leadership of the National Revolution. On June 28, 1925 at the First Plenary Session of the First C.E.C. of the Kuo-Min Tang he was persuaded to accept nomination for the Government and the Military Council, of which bodies he was elected Chairman. In collaboration with General Chiang Kai-shek, he thus became responsible, first, for the consolidation and unification of Kwangtung Province under the National Government, then, for the phenomenal successes of the Northern Expedition and laid the fundamentals for the unification of China under the Kuo-Min Tang. He was the civilian Party leader, determined to crush all reaction and to build a new social order in China on the basis of the Three People's Principles. General Chiang was the military leader who commanded over troops which, numerically and technically inferior to any of the counter-revolutionary armies, consisted of officers and men who were politically conscious and whose *morale* and fighting strength were, therefore, superior to those of the enemy.

Unfortunately, as the result of intrigues on the part of both the Communists and the counter-revolutionaries who had managed to smuggle themselves into the Party, a series of misunderstandings arose between Wang and Chiang, which gradually developed in irreconcilable differences and open political emnity. There was first the Incident of March 20, 1926 as the result of the Yung Feng Gunboat case, which led to Wang's taking a leave of absence abroad, but which did not otherwise affect the Wang-Chiang co-operation. Then, after Wang's return from Europe there was the sudden "Purification Movement" of April 12, 1927, followed by the setting up, on April 18, of a Government at Nanking independent of that at Wuhan. The common danger of the Communists and the irregularity of the so-called Special Committee

established on September 15, 1927, brought Wang and Chiang together again and co-operate with a view to the restoration of Party authority as expressed in the Fourth Plenary Session of December 1927. In view of the counter-revolutionary tendency in reaction to the Communist Insurrection on December 11, 1927, however, Wang decided to leave the field to Chiang alone and go into retirement for the time being.

The methods employed in connection with the Third National Congress and other issues, however, broke up the Wang-Chiang entente and caused Wang's return to take the lead in the so-called Anti-Chiang Movement. Thus he participated in the Yen-Feng Coalition in the summer of 1930 and in the Canton Movement of May 1931, but only to co-operate again with his old friend and bitter enemy in order to cope with the situation created by the Japanese invasion of the Three Eastern Provinces on September 18, 1931. For it is well to remember here that Wang's opposition to Chiang has never been a matter of personal animosity, but one of system and policy. As he himself declared in an interview on November 18, 1931, "Whether it is the Nanking Government, the Canton Government, or the Kuo-Min Tang itself, they should all be overthrown if they cannot satify the people. But once the foundations of a truly democratic government are laid, there is no reason why the revolutionist cannot co-operate with Mr. Chiang to-morrow."

In the face of the national crisis caused by the imminent Japanese attack on Shanghai, Wang thus left, on January 16, 1932, the sick-bed to which he had been confined for over a month at Shanghai, to confer with General Chiang—his erstwhile opponent—and come to an understanding in order that the united national front which alone can save the nation may be made into a reality. Still an invalid, Wang was prevailed upon, after the sudden resignation of the incumbent President of the Executive Yuan, to assume, for the second time since the advent of the Kuo-Min Tang, in 1925, the direct responsibility for the national administration. And with this assumption of office a new period in China's history, the period of revolutionary reconstruction, was inaugurated.

The champion of the people and the bitterest enemy of predatory militarism—decried on occasion as a visionary, rebel, pro-Communist, counter-revolutionary—he realised that no democracy can be real which is not founded on an ordered, financially sound, Government, that Constitutionalism is merely an empty word unless the Government which is to inaugurate it, is itself run on a constitutional basis, upholding the rule of law, that, however threatening the foreign menace may be, China must first of all put her house in order and find her salvation within herself. And while his most ardent admirers cannot claim for him the translation into practice of the whole, or even a substantial part of his reconstructive program, the fact remains that by a concatenation of circumstances—the heroism of the 19th Route Army with its attendant effects on the Northeastern Volunteer Movement, Wang's attitude of compromise and conciliation towards the Opposition and his insistence on a pacific settlement, at any cost, of all internal disputes, his political guidance and inspiration and sense of responsibility resulting not only in harmonious teamwork between the members of his Administration but also in the creation of a greater efficiency in the various Government Departments, the fianncial reforms of Acting-President Soong, the encouragement of the Civil Service spirit, the greater freedom of the Press, etc., etc.—not only was the aggravation of the national crisis prevented, but what for two decades had seemed an impossible dream turned, coincident with his tenure of office, into a concrete, if incomplete, reality: the laying of the fundamentals of a modern, democratic, constitutional State.

Under Wang's leadership and inspiration Republican China thus saw for the first time in her history a Government which does not have to depend on borrowing for its existence, but which, in spite of the world depression, foreign invasion necessitating major war operations, the losses of a considerable amount of trade and revenue, the depredations of Communist banditry, is able to make ends meet—which not only refrains from entering into further financial commitments, but notably with some of the railway loans, has been able to resume interest payment on loans for many years in default. No longer are innocent, or politically-irresponsible officials, sacrificed for the sake of appeasing popular wrath, but any grievances or criticisms are now directly expressed to, and properly dealt with by, the responsible political Head of the Government of the day, with the result that not only are irresponsible popular agitations kept within bounds, but a greater sense of confidence in the Administration is growing. No longer are Ministers just dignified instruments, but are, within the limits of constitutional law and practice, responsible Heads of departments of government, taking orders only from the properly constitued authorities. No longer is there, with the change of a Ministerial Head, a complete reshuffling of posts, but subordinate officials are, with only a few exceptions, generally allowed to carry on as if nothing had happened. No longer is the foreigner able, except in a spirit of mischievous fault-finding, to accuse Chinese officials with cowardly tempering with the law in favor of Chinese nationals in such "mixed cases" as illustrated by the recent decisions of the Trade Marks Bureau and the sanguinary sentences passed on patriotic, but irresponsible bomb throwers, and practically the only public scandal which took place in 1932 was one in which a leading foreign company was increditably involved.

Dr. David A. Brown Says China Is Becoming a World Power

In the course of an address at the Hotel Woodstock in New York on the occasion of his return there recently, Dr. David A. Brown, chairman of China Famine Relief U.S.A., said that China is well on the way to becoming a world power.

The address of Dr. Brown was his first public statement setting forth his observations and experiences in China since his return to New York. He said that while he was in China every facility was put at his disposal by the government for an extensive tour of the country and, by motor car, truck, train, boat, bus, and airplane and on horseback, he covered many thousands of miles, visiting every part that was affected by the Yangtsze floods in Central China and by the famines in the nothern provinces.

The roads and the irrigation projects that were built with American aid will remain forever as monuments to American philanthropy and generosity, he said. He added that America was practically the only country that did anything to help the distressed Chinese farmers at a time of their worst catastrophes.

Dr. Brown stressed the fact that American opportunity in China is vast and emphasized the point that in the automotive field alone the United States has unlimited possiblities for a large trade in automobiles, buses and trucks. He stated that he was, however, appalled at the lack of interest shown by American manufacturers in this potential market.

Sir John Hope Simpson Given Farewell Dinner by T. V. Soong

Sir John Hope Simpson, director-general of the National Flood Relief Commission, who is returning to England on March 26, was the recipient of a loving cup in appreciation of his services for the last 18 months at a farewell dinner in Chinese style given by T. V. Soong, president of the Commission, at the International Recreation Club March 16. In presenting the cup Mr. Soong said that despite the common saying that republics are ungrateful to those who serve them the Chinese people will always be grateful to Sir John for his labors among them. If the National Government had not discarded the system of conferring decorations for meritorious service, the speaker said, he would have recommended Sir John for the highest honor within its power to give. As the system has been abolished, it seemed fitting for him as president of the National Flood Relief Commission to give a token indicative of Chinese appreciation on the eve of his departure for England.

Dr. C. T. Wang Heads Northeastern Council Committee

The Northeastern Council, which was recently inaugurated by the local Chinese authorities and the various public bodies for the purpose of co-ordinating all efforts at the eventual redemption of the Northeast, has completed the organization of its special foreign relations committee.

Dr. C. T. Wang, former minister of foreign affairs, heads the committee, other members including Dr. M. T. Z. Tyau, Chao Hsi-en, K. P. Chen, Dr. P. W. Kuo, Hsia Chi-feng, Tsou Ping-wen, L. T. Chen. Wu Kai-seng, Chen Ping-wo, Dr. Li Teng-hui, and five others.

Chang Hsueh-liang's Retirement

BY PAUL K. WHANG (汪仲芳)

CHANG Hsueh-liang, the overlord of Manchuria and North China and the youthful marshal of a vast army, has definitely made his exit out of China's political stage by resigning from all of his official posts. His retirement, though dramatic, is but the natural and inevitable escape from a predicament in which he has found himself since the Japanese occupation of Manchuria. On the one hand, he has been looked upon by the Japanese as a "nail in their eyes," and on the other hand, he has been vigorously condemned by the Chinese public for his inability to defend his governed territories. His unpopularity has increased in proportion to the accentuation of Japanese aggressions, and his political fate has been definitely sealed with the fall of Jehol "within barely ten days." Between Japanese antagonism and Chinese condemnation, he has made the only choice by voluntarily relinquishing his political posts, so as to make room for some better qualified men to handle the present critical situation in North China.

His valedictory speech to his subordinates and his message of retirement are touching and remorseful, just as a dying person would repent of his past life. He admitted in unequivocal terms that he could not prove himself "equal to the task," that he was "inept and incompetent," that he was responsible for the loss of Jehol, and that he "deserved the strongest censure." His self-acknowledgement and self-negation deserve our sympathy, but it must be added that had he tendered his resignation one year earlier, he would be much more sympathized with and even esteemed. It is queer that a man who is not at the end of his rope will not foresee his failure and admit his defeat.

A Strange Coincidence

It is a strange coincidence that the ex-marshal's retirement should date a few days prior to the return of Wang Ching-wei from his sojourn in Germany, as if to make the coast clear so that the latter can resume his office as the president of the Executive Yuan without any more embarrassment. The reason for this is that Mr. Wang himself resigned last August in order to force Mr. Chang to resign also because of the former's dissatisfaction with the latter's ignominious policy of non-resistance. It is of interest to note that in the long telegram sent to Mr. Chang, Mr. Wang demanded that the former should tender his resignation and thus "redeem yourself with our 400,000,000 compatriots so that Jehol, Tientsin and Peiping may not follow in the footsteps of Manchuria and Chinchow. Such a step on your part will certainly be an inestimable blessing to the China south of the Great Wall."

At one time, Chang Hsueh-liang actually tendered his resignation and was on the point of going abroad "for some education at either Cambridge or Oxford," but for some political reasons, he managed to retain his position as the military chief in North China although under a different official title. Since then much water has run beneath the bridge and much powder has been burned. The truth of Mr. Wang's advice was finally also realized by Mr. Chang himself, whose resignation, however, came only after Jehol had "followed in the footsteps of Manchuria and Chinchow."

The ex-marshal is now preparing himself for his adventurous trip in foreign lands. Whether he has still an intention to win an academic honor at either Cambridge or Oxford, he has not yet made this point clear. Being still young he can not be expected to consider himself through with politics. When the public feeling against him cools down, he may again emerge from his private life and play an even more important role on the Chinese political stage in future. Moreover, the human mind is fickle, and those who at present denounce him the bitterest may be the very ones who will in future welcome him the warmest.

In comparison with Gen. Tang Yu-ling, who has been made a man without a country since his precipitate flight from the capital of Jehol, the ex-marshal, who gave away the whole of Manchuria without putting up any resistance and who also acknowledged his responsibility for the loss of Jehol, should be ashamed at the royal welcome which the Shanghai notables have extended to him. One wonders why the government shows leniency toward him to such a great extent that he was permitted to retire without any punishment being meted out to him. It is really incomprehensible that Gen. Tang who has not many years to live because of his advanced age should be put under arrest, while his superior who proves to be more guilty should be accorded such generous treatment.

However, it is cynical to kick a man who is already down and out, and it is also unfair to allow our prejudice to carry us to such a point that we refuse to recognize the worthy deeds of a man under our condemnation. No matter how inept and incompetent he is, the ex-marshal, nevertheless, can not be considered as a traitor to his country. The very fact that is looked upon by the Japanese as "a nail in their eyes" proves that he has been patriotic enough not to play into the Japanese hands. If he valued his personal interests more than anything else, he could easily have stooped to accommodate the Japanese as they demanded, thus avoiding to incur their displeasure. But instead, during his administration of Manchuria, he balked the Japanese imperialistic penetrations, ignored their threats, and seemed to take upon himself the task of freeing Manchuria from Japanese domination. His ambition is laudable, but he proves himself sadly unequal to the task. His bluntness and tactlessness in dealing with two strong neighbors brought upon his head the Sino-Soviet conflict in 1929 and the Japanese invasion in 1931.

Unflinching Loyalty

It must be also said that the National government owed much of its existence to his valuable assistance. Without heeding the Japanese threats, he boldly unfurled the Nationalist flag in Manchuria and threw in his lot with the Kuomintang party. Without his cooperation, the Nationalist movement could hardly have found its way to the provinces outside the Great Wall. Then again, in 1930, his loyalty to the Nanking government played a large part in crushing down the Yen-Feng Coup. Possibly his valuable service and unflinching loyalty to the Central government account for the reason why Nanking has been so lenient toward his failure in defending Manchuria and Jehol.

Moreover, he is but a victim of circumstances. Having been born with a silver spoon in his mouth, he inherited the vast power from his father and became the overlord of Manchuria and North China, without the need of fighting his way through from the bottom to the top as other military leaders had to do. Although at the head of a vast army, war is foreign to him, as he has never participated in any serious fighting. Among his own rank and file, many who are the followers of his father have despised him because of his inexperience and youth, and several others have been even hostile to him. Thus at the time of emergency, he has experienced difficulty in commanding his mammoth army, and found to his distress that no one of his generals would do any serious fighting for him. It is no secret that many of his subordinates have been tickled to see his downfall.

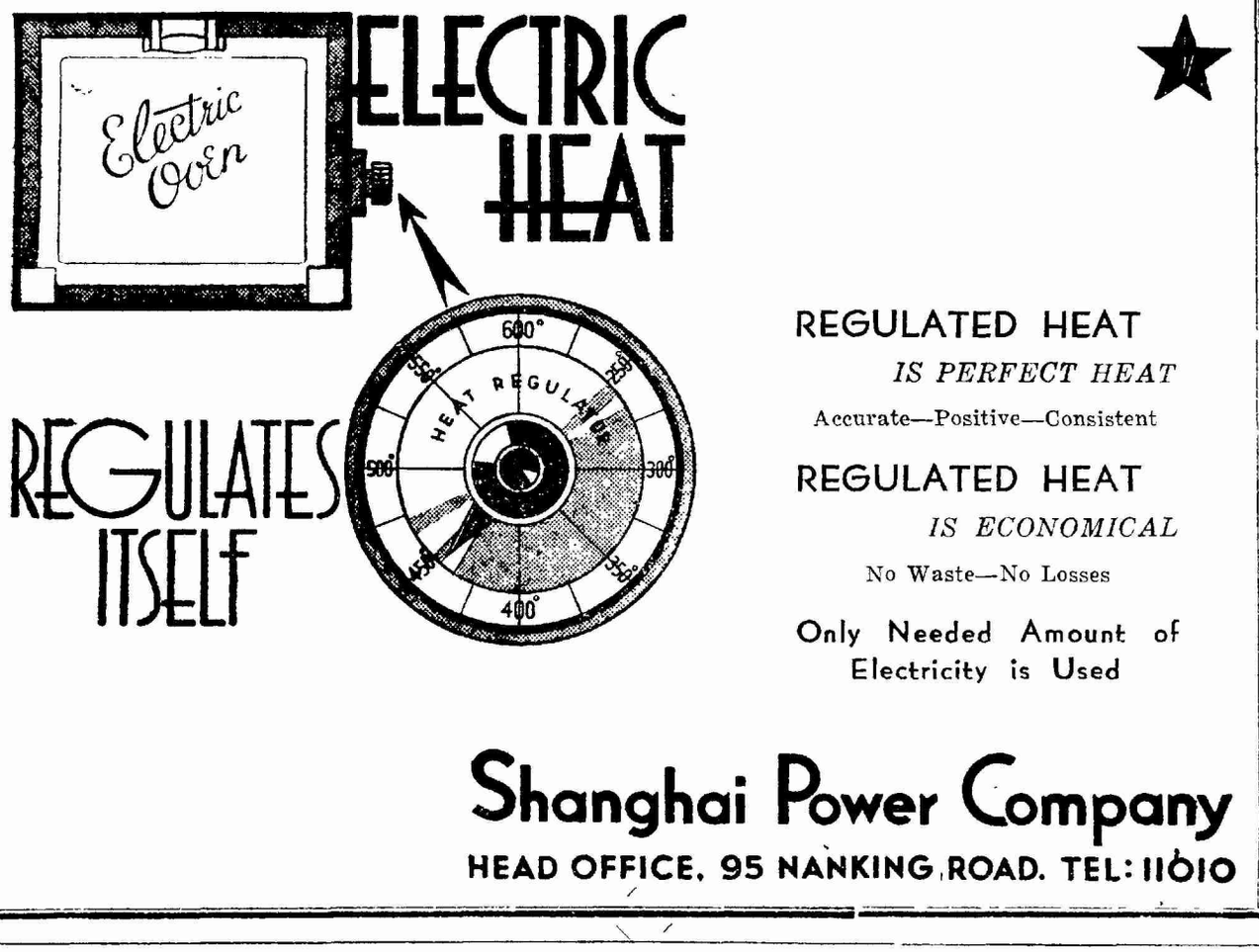
He was not oblivious of this state of affairs, and therefore he publicly acknowledged his inability to inspire confidence in his subordinates. He may have the mettle and determination to fight the Japanese, but he could not resist the enemy singlehanded when his generals were not dependable. On the other hand, the Nanking government ordered him to put up a strong resistance, but did not send him any reinforcement in soldiers. Under this circumstance, he had to shelter himself under the policy of non-resistance, and pemit the situation to come to such a pass that, to quote his own words, "The local authorities were relying on the Central govenment for help, and the Central government were relying on the local authorities."

If his wish of going abroad is realized, we hope that instead of indulging himself in the night life of great American and European cities, he will spare his time to learn something valuable, if not actually seeking high education in big universities, so that when he comes back to China he will be no longer a warlord but an intellectual youth, as Bernard Shaw attributed him to be, and that he will then contribute something good to his country so as to atone for his past life.

Shanghai, March 20, 1933.

Labor Unions Oppose Shanghai Municipal Factory Plan

Organized opposition to the present attempt of the Shanghai Municipal Council to obtain authorization from the ratepayers to inspect factories in the Settlement is being urged by representatives of more than 30 local labor unions. For the sake of China's sovereignty as well as the welfare of the laboring populace, the Chinese government should immediately enforce its factory laws specifying periodic inspection of working premises, declared the labor union men in their manifesto.



Purchase of British Ships Causes Row in Japanese Ministry

The recent importations of old British ships, some ostensibly to be broken up, but a certain number of which have been bought by the Dairen Kisen Kaisha (a subsidiary of the South Manchuria Railway Company) for trading purposes, has evoked considerable misgivings not only in Britain itself but also in Japan. In Japan a serious divergence in points of view has arisen between the Department of Overseas Affairs and the Communications Department, the latter having the support of the Navy.

The rumpus in connection with the purchase of vessels by the Dairen Kisen Kaisha has its origin in the fact that under certain circumstances vessels registered at Dairen have the privilege engaging in the coastwise shipping trade of Japan itself. The Department of Communications takes the attitude that under Imperial ordinance 137 of 1925 it has the sole power to decide whether Dairen registered vessels shall have such privilege or not. Accordingly, Mr. Minami, Minister of Communications, has issued a warning to the Dairen Steamship Company, intimating that if, against the wishes of the Communications Department authorities, the Company continues to purchase foreign ships the Department may be compelled to prohibit all ships registered at Dairen from navigating in Japanese waters. There are at present 26 vessels, registered at Dairen, which are allowed to operate coastal lines in Japan proper. Of this number, the term of sanction for 15 expires at the end of this month, and for the remaining 11 at the end of June. Even before the expiration of this term, the Department of Communications authorities say they are determined to prohibit their navigation in Japanese waters, if the occasion demands it. As this threatened veto would be a fatal blow to the Dairen Steamship Company, the latter has intimated that it will stop the further purchase of vessels, provided it is allowed to make use of the six that it has already purchased.

The objection of the Navy to the purchase of foreign ships by the Dairen Kisen Kaisha is that the foreign vessels imported by the said company are of so poor a quality that they are not fit to be chartered by the Government as transports, and thus national defense is endangered. The Navy insists on home-built vessels being used, taking the attitude that the improvement of the commercial fleet is very necessary for the training of skilled workmen and for the maintenance of skilled labor at shipyards.

The Overseas Office in backing the Dairen Kisen Kaisha, says that the Dairen shipping concern is in need of many large ships in order to transport Manchurian products to Europe, and there is not sufficient time to construct the ships which are required for that purpose.

Japan Will Pay Chapei Foreign Sufferers with Bonds

The Japan Foreign Office has decided to present an additional budget for Yen 300,000 to the Finance Ministry for the relief of foreigners in Shanghai and Manchuria who suffered losses during the hostilities between the Japanese and the Chinese. According to the plan of the Foreign Ministry, a relief committee will be organized by the Director of the Asiatic Bureau, the Director of the Financial Bureau, and the Director of the Quartermasters' Department of the War Office, which will accept the reports from the claimants through the Foreign Office. The Committee will review the claims and will pay in the form of public bonds, if they find the claims reasonable.

Russians Protest Against Establishment of "Greater Harbin"

Russians in Harbin are protesting against the proposed establishment by the Manchukuo Government of "Greater Harbin," which is to unite both the Russian town and its suburbs and the Chinese town of Fuchiatien. The Russians point out that the position, population, culture and needs of the Russian town with an overwhelming foreign (Russian) population and of the Chinese town with an almost exclusive Chinese population are so different in all details that there is a pressing necessity to have two separate Municipalities. The Russian protest is having little effect.

Manchukuo Bank's Corner on Beans

BY I. A. DOLLIN

SINCE the beginning of the current year there has been a marked decline in the export business of soya beans, the staple article of Manchurian export. During January last the volume of the transactions in beans was only 50,000 tons, which is only one-fifth of the quantity of beans exported in the corresponding month last year. So far, no available data as to bean export business for February last have been made known to the public, but the prevailing opinion in local business circles is that the lots that changed hands during this month are smaller than those for January.

This decline of the business is almost solely due to the speculations in beans by the newly opened Central Bank of Manchukuo. The Bank, having large sums of money in the old type banknotes, which are now being replaced by the new type of currency issued by the Bank, decided apparently to dispose of the old banknotes through buying beans. Consequently 170,000 tons of beans were bought within a very short time by the Central Bank. This caused a sudden rise in the price of beans so that all other exporters and traders in beans, with the low prices in the London and other European markets for beans, being unable to compete on the local market with the Bank, have gaven up buying beans. The beans purchased by the Bank remain unexported, lying stored at the godowns of the Bank, which apparently prefers for some reason or other to have beans rather than the old type of banknotes.

These operations of the bank affected also adversely the bean oil industry in North Manchuria. Because the price of beans on the local market has been constantly fluctuating the owners of oil mills are not in the habit of keeping large lots of beans in stock, but purchase them in lots proportional to their immediate requirements. When the prices of beans, due to the above said speculation of the Bank, went suddenly up, the oil mill proprietors, the prices for oil ruling low, found themselves unable to carry on their business. And a number of mills suspended their work for an indefinite time.

To eliminate the cause of the abnormal bean market condition the majority of the Manchurian dealers in beans embodied in the Association of Exporters filed a petition with the Manchurian Authorities requesting them to put an end to the bean operations of the Central Bank, or make them subject to such regulations as would limit the activity of the Bank in that respect, so that all other bean merchants would be given an opportunity to do some business.

In response to this petition, the Hsinking Authorities invited the representatives of the exporters to Hsinking to participate in a discussion of the matter by a specially appointed commission. As a result of the report submitted by this commission to the authorities the Bank was ordered to discontinue the bean purchases pending further orders.

But while the measures to coerce the Bank were being taken, it managed to buy up about 50% of all the beans in Manchuria.

The Soviet Consul Replies to the Manchukuo Note

Shi Lui-ben, representative of the Foreign Ministry of Manchukuo in Harbin, interviewed by pressmen said that in reply to the note recently addressed to the Soviet Consul in Harbin by the Manchukuo Authorities protesting against the Soviets' actions infringing upon the Manchurian rights in the Amur river and elsewhere in the border regions, the Consul informed the Manchukuo Authorities that a thorough investigation into the matter is being made, following which a detailed explanation will be given.

Japanese Dump Goods Into Manchuria

The Japanese have opened in Harbin an Agency of the Commercial and Industrial Bureau of the Municipality of the city of Osaka, which is to serve as a medium for communication of the Manchurian merchants with the merchants and manufacturers of the Osaka business district. The range of the activities of the above said Bureau also includes exporting Manchurian raw pruducts into Osaka to be used by the numerous factories of all varieties located in and about that industrial centre of Japan.

Due to the downfall of the Japanese yen on the international money market and due to their paying a very low import duty or, as rumors say, bringing their goods into Manchuria without paying any duty at all, the Japanese goods are now the cheapest of all goods imported into Manchuria from any country; and, therefore all the retail dealers, regardless of their nationality, give preference to the Japanese goods. According to Mr. Okomoto, manager of the above mentioned Agency, 90% of the whole of the manufactured goods on the Manchurian market are of Japanese make. The Russian population used to give little or no heed to the Japanese goods because of their inferior quality, but at present, being stricken by the economic crisis due to the flood disaster and the fighting in this country, they are obliged to buy cheap goods, their earnings being small.

Many Chinese and Russian merchants go to Osaka in order to enter into direct communication with manufacturers there. Large lots of goods are ordered through the Agency. From Harbin the imported commodities are forwarded to places on the Hu-hai Railway, and further to towns and villages in the interior of Manchuria. The Sungari river being frozen, large quantities of Japanese goods are being carried from Harbin to centers on the river by motor vehicles. To the western regions of Manchuria goods are shipped from Dairen by the Ssupingai-Taonan-Tsitsihar railway, the city of Tsitsihar serving as a large distribution center for the Japanese goods in Heilungkiang province.

With the beginning of the warm season building operations in the country will start; and a revival of trade is expected. The Japanese merchants are getting ready to do a roaring business this season. It is common opinion here that Japanese goods have displaced entirely many kinds of goods hitherto imported from other countries.

A Note of Protest by Manchukuo to the Soviets

On receipt of instructions from Hsinking, Shi-Lui-ben, representative of the Foreign Ministry of Manchukuo to Harbin, on Feb. 26 handed to Mr. Slovutsky, Soviet Consul General in Harbin, a written note protesting against arbitrary actions of the Soviets on the Amur river, thereby infringing upon the rights of Manchukuo.

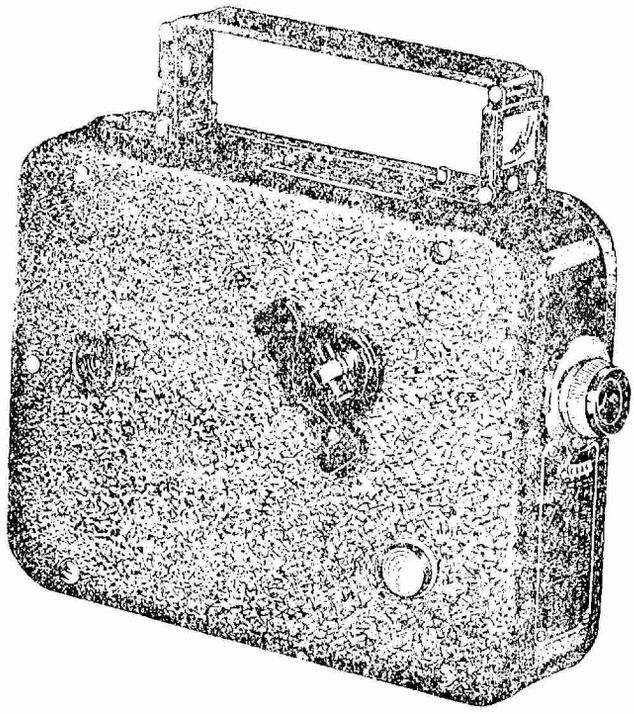
The circumstances that caused the handing of the note were as follows: The Manchukuo Authorities became aware of the Soviets having built twelve huge dams at the confluence of the Amur and the Sungari rivers, which changed the course, turning the water of the rivers to the Soviet side, so that the Manchukuo side of the river at that place became too shallow and unfit for navigation by Manchukuo vessels; and should the dams remain as they are, the Manchukuo vessels could sail only on the Soviet side, which is not to be admitted on the part of the Manchukuo Authorities, who also maintain that on the Amur river, it being an international river, no construction similar to that mentioned should be built by either of the countries without the consent of the other. Therefore, the Manchukuo Authorities demanded in their note that the Soviets cause the dams to be pulled down immediately. They also pointed out in the note that they reserve the right to demand from the Soviets the reasons for the constructions of the dams at the forthcoming conference to be held in the near future by Soviet and Manchukuo representatives on the questions of navigation on the Amur and the Sungari rivers.

Soviet Timber to Manchuria

As the fighting has been raging for so long a time in Manchuria, the timber industry, as well as other industries in the country, have been dislocated to such an extent that at the present time none of the big timber enterprises is operated. On the other hand, due to the flood destructions last summer, and also damages caused to the railways and buildings through the warfare, there is at the present time a large demand for wooden building materials to be used for repairs and erecting new buildings. To cover the demand the Soviets are reported to be planning to place their timber on the Manchurian market. According to press reports here 3000 car-loads of timber will be imported from Siberia during next spring.

Japanese Banks to Open in Manchuria

According to statements published in the press the Central Bank of Manchukuo issued during the first year of Ta-Tung, banknotes to the amount of 151,865,395.87 silver dollars, of which sum 58,000,000 dollars are banknotes of the new type, the balance being banknotes of the old type of local dollar, bearing the stamp of the Central Bank. Reports say that all the old banknotes towards the end of March next will be withdrawn from circulation. It is reported that because of the establishing of the Central Bank of Manchukuo a number of Chinese banks in Manchuria have become defunct. But Japanese banks are being established; two new banks each capitalized at 10,000,000 yen, one to be located in Harbin and the other in



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Mukden will be shortly opened. A larger portion of the capital has been invested by the firm of Totaku and the South Manchurian Railway Company, and public subscriptions are being invited for the balance.

Preliminaries for Shifting to Gold Basis

The latest news from Hsinking say that the Government has devised a plan for forming a special gold fund with a view to shifting eventually the currency of the country to the gold basis. In accordance with this plan half of the salary of all the governmental employees of the country for the month of March shall be turned to the fund. In connection with this there is much talk and speculation on the matter among the people here. Many are inclined to think that the reform will lead to the Japanese gold yen being the only legal tender in Manchuria, in the long run.

Japanese Colonists in Encounter with Old Kirin Troops

In a village near the town of Tsiamisi on the bank of the Sungari river there settled last autumn about 500 Japanese colonists. They are reservists and are armed. The other day on becoming aware that a large detachment of the Old Kirin Chinese troops threatened them with an attack they asked the Japanese commander of troops in that region to hurry to their rescue; the latter complied with the request and came most opportunely; for the Chinese troops were approaching the village of the colonists. In the encounter that followed 10 Chinese soldiers were killed. One Japanese soldier was killed. The Chinese retreated to Shituhetsi, a hamlet on the bank of the Sungari.

Changchun, March 14, 1933.

E.S. Cunningham to Remain as Consul General in Shanghai

Edwin S. Cunningham, U.S. Consul-General in Shanghai, will remain at his post after the date on which he is due to retire, according to a recent message from Peiping. Mr. Cunningham, who has been Consul-General in Shanghai for fourteen years, reaches the age limit of 65 in June next and was to have retired. However, through the State Department, the new President has intimated that he would like Mr. Cunningham to remain.

Two Japanese Attempt Suicide in Protest to Saito and Araki

Two young Japanese in Tokyo, inspired by reactionary patriotism, attempted to dispatch themselves by harikari (cutting the abdomen), the samurai's method of suicide, March 3, in order to lend weight to their protest against certain political matters. They were Yoshio Fuji, 27, who attempted to kill himself in front of Premier Saito's official residence, and the other was Yoshinori Minamibata, about the same age, who made a similar attempt at the residence of War Minister Araki. Both are members of and organization known as the Kokusai Taishuto, with headquarters in Osaka, whose members staged a hunger strike in Tokyo recently as a demonstration of dissatisfaction with the manner in which the authorities were handling the alleged tax evasion case against the Meiji Sugar Company.

Both the young men suffered self-inflicted abdominal wounds. Neither, however, was fatally hurt, and they are expected to recover in the course of two or three weeks.

The head of the Kokusui Taishuto, Yoichi Sasakawa, made the following comment: "It is noteworthy that two such promising young men as these should resort to drastic measures in a time of national crisis. Unless politicians and capitalists reflect upon their conduct and act upon their reflections, I fear that similar incidents of this kind will occur in the future. I make it a point to warn members of this organization never to act in violation of the law, but sometimes they cannot repress their feelings."

Executive Yuan Authorizes Payment of Panchen Lama's Travelling Expenses

In compliance with the request of T. V. Soong, Minister of Finance, the Executive Yuan, March 9 decided to appropriate the expenses for the delegates to be despatched to the International Economic Conference. A petition of Shih Ching-yang, Chairman of the Mongolian and Tibetan Affairs Committee, for the appropriation of the travelling expenses of the Panchen Lama, "Living Buddha" of Tibet, who is proceeding to Kokonor (Chinghai) in his capacity as Cultural Commissioner for the Western Border, was also approved.

How the Japanese "Maneuver" in Manchuria

BY EDWARD HUNTER

The following is part of a radio talk recently broadcast at New York. Mr. Hunter was formerly correspondent for the Hearst service in Manchuria, but has since been transferred to the London office.

The only way of explaining many of the Japanese major operations in Manchuria is by the word "maneuver." They are preparing for something bigger, vaster than Manchuria, when they won't have merely Chinese to combat.

The number of Japanese fighting men in Manchuria is much more than the official figures would indicate. Every effort is made to conceal the figures and the designation of the troops involved. Just before the League of Nations Commission of Inquiry arrived in Manchuria, the Japanese soldiers took from their collar bands the numbers which showed to what regiment or division they belonged. When I went to Changchun to attend the signing of the so-called defensive alliance between Manchukuo and Japan, the Japanese delegates passed along highways from which the public was barred and where both sides of the roadways were lined with Japanese and Manchukuo troops.

The Manchukuo soldiers interested me. They did not wear Japanese uniforms. But I remember how I glanced up when I heard the officer speak in Japanese. He looked Japanese, too. Then I wondered how the Chinese could understand Japanese. I looked at them. They were all Japanese, too. There was no mistaking their appearance. I made inquiries and discovered that there were many such companies of so-called Manchukuo troops, who were all born in Japan, who were actually reserves in the Japanese army, and most of whom only recently had left the Japanese forces.

Many "Manchukuo" Soldiers Are Japanese

These companies have been scattered throughout the Manchukuo army, and their job is more to prevent the Manchukuo army from deserting and joining the foe than actually to fight the enemy. I also confirmed that officers of Japanese nationality are in charge of the Manchukuo armies, are actually training them, and deciding what form the Manchukuo co-operation with Japan must take. Many of them do not speak Chinese.

I visited the borders of Manchuria on the east where they meet Soviet Russia, and on the South at the Great Wall of China. I noticed that the Manchukuo Frontier Defense Force, supposedly Chinese, consists in both places almost wholly of Japanese individuals who speak no other language, who do not even mingle with the Chinese.

I remember one day when the foreign correspondents at Mukden had their attention distracted during a press conference by a parade past the windows of the hotel. We looked out to see a body of 500 men uniformed and equipped exactly the same as all other Japanese troops. We had seen them marching around town that day going through the usual routine of visiting shrines and demonstrating which is customary for new troops.

Unless termed a maneuver, how could one explain, for instance, the way in which the Japanese troops captured Echo, along the Chinese Eastern Railway. There were a few Chinese huts on a slight slope, and about twenty Chinese. No more than that. Mounted Japanese officers rode to another hill, where long lines of telephone wires were strung, and field wireless set up. There was a hustle and a bustle for an hour. Then a barrage. Thousands of dollars worth of ammunition went sizzling through the air. Under this barrage the Japanese advanced. Once in a long interval one of the twenty Chinese on that little slope would fire a bullet. They rarely had anything else in the way of equipment.

The Japanese troops re-loaded the field wireless sets and other equipment on the backs of horses and men, advanced a few hundred yards, and then repeated this performance. This was done a number of times. Of course, when they reached their objective all that was left of the Chinese was their footprints. They had fled long before!

Throughout my stay in Manchuria I noticed to what extraordinary steps the Japanese army went to maintain military ardor at peak at home in Japan, and to devise technical excuses for their continuous advance throughout Manchuria.

The drive against Chinchow should be of particular interest to Americans because of Secretary of State Stimson's exchange of notes with the Japanese on that subject. Japan pledged itself not to send troops into Chinchow. One day after visiting Chinchow I was on my way back to Mukden when my train stopped about thirty miles from my destination. I learned that a Japanese armored train had come to the important town of Hsinmin ahead and had shot off a bombardment for half an hour, but only of blanks. Japanese soldiers from this train had advanced to the walled city and had chased out the Chinese police force.

Nobody could give any reason for this, and I sent a brief cable about the mock bombardment, which incidentally caused almost as much panic in the town as a real bombardment would have.

The next evening I was back at the Yamato Hotel, Mukden, in the comfortable little room next to the hotel bar where the spokesman for the Japanese army gave out a communique each day. The corps of correspondents were sipping their whiskeys and soda, bacardi cocktails, and believe it or not, orange juices as well, when I saw the spokesman take a nice, neatly typewritten communique out of his pocket and begin to read.

I blinked my eyes, I pinched myself. It was hard to keep from laughing when I heard the spokesman officially tell the gathering about the city of Hsinmin, where I had learned how the police had been chased away after a mock bombardment. The Japanese spokesman said a petition had just been received by the Chinese residents of Hsinmin pointing out that the Chinese police had deserted their posts and requesting that the Japanese station troops inside the city to maintain peace and order.

The correspondents tried to keep a straight face. They asked whether the Japanese would agree to this petition. The spokesman gravely replied that the army was considering the matter, for it did not wish to expose the poor Chinese to danger. Sure enough, troops were stationed there the next day. And that was the start of the Japanese drive on Chinchow. The petition obviously was prepared as a technicality which could be presented to Secretary Stimson and other hard-headed foreign diplomats who found it difficult to reconcile what was going on in Manchuria with what was written in the anti-war pact.

Baggage Coolies at Nanking and Pukow Want Life Pensions

The 3,000 coolies employed in carrying baggage at Pukow and Nanking, seeing that their livelihood is threatened by the anticipated completion next September, of work on the Nanking-Pukow ferry terminals, which will provide direct rail service between Peiping and Shanghai, are preparing a petition asking the government to give them annuities for life. There have also been threats of sabotage as well as a mass movement that will consist of lying between the tracks and preventing movement of trains. The pension, the coolies urge, should cover living expenses for 30,000 persons, which is the number they calculate themselves and their dependents to be.

French Municipality Compensates for Reckless Shooting by Annamite Policeman

The Chinese newspapers state that the killing of two Chinese by an Annamite policeman in the French Concession recently is being compensated by a sum of $4,000 which will be divided evenly between the families of the two deceased men. This settlement was reached following negotiations between the French authorities and Tu Yueh-sen, who representated the families of the victims. The policeman, who claims that he was assaulted by a crowd of Chinese following the seizure of a ricsha license, will be brought before the French Consular Court in the near future.

Canton Rice Merchants Fear Blockade by Japanese

Apprehension over the possibility of the Japanese blockading all the Chinese ports in the event of the Sino-Japanese fighting spreading into China Proper has led the Chinese merchants at Canton to consider the question of purchasing and storing up food for emergency. Rice dealers have announced that there is only a limited supply of rice in the city and in the event of a blockade, the population will face a serious food shortage.

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Peiping Theaters and Cinemas Hit by Crisis

The Chinese theaters and picture houses in Peiping have been seriously affected by the present crisis in North China. Following receipt of a letter from the local branch of the Society for the Extermination of Traitors, warning them not to open during the present national emergency, four well-known native theaters in the Chienmen district have closed their doors. The indications are that many of the cinema houses will have to follow suit.

Opium Suppression Law Is Amended

Important revisions and rulings relative to the Opium-Suppression Law were passed by the Legislative Yuan at Nanking March 3. Article XI of the Opium-Suppression Law was revised to read as follows: "A sentence of not more than six months' penal servitude or a fine of not more than $300 shall be imposed for offences concerning opium-smoking, taking morphine injections, or the use of opium substitutes. Where offenders are confirmed addicts, a date should be set for their complete cure."

$265,000 Collected in Airplane Drive

It is officially announced that the drive for funds to purchase airplanes launched by Mayor Wu Teh-chen, under the auspices of the China National Aviation Association, has realized a total of $265,318.59. This amouut is made up of $95,318.56 collected by 64 group captains, $100,000 subscribed by the Tien Chu Vee Ching Factory, $45,000 collected by the Ningpo Fellow Provincial Association, and $25,000 by the General Labor Union.

British Willing to Pay Chinese Business Tax

Stanley Baldwin, Lord President of the Council, stated in the House of Commons March 15 that the British government had been informed of China's attempts to levy business taxes upon foreigners in Hankow. He added that the Chinese government had been reminded of the English offer to extend the liabilities of British subjects so that they would pay regular legal Chinese taxes provided that no discrimination was involved.

"Japan Times" Violates Press Release of Inauguration Ceremony

The *Japan Times*, a government-subsidized daily newspaper published in Tokyo, on the morning of March 5 printed a so-called account of the inauguration ceremonies of President Roosevelt at Washington. The *Japan Advertiser*, an American newspaper published in the same city, called attention to the fact that the "bogus" account of the inauguration had been printed many hours before the inauguration took place, and some copies of it were actually distributed before it took place. Incidentally it may interest the public to know that much of so-called news in daily newspapers is written in anticipation of the event, awaiting release by a short telegram. The *Advertiser* in this instance called attention to the fact that the *Times'* so-called account had been written ahead of the event and sent by mail by the *Nippon-Dempo United Press* service. *The Times* had accomplished its "scoop" by not waiting for the telegraphic release.

Kwantung to Work with Manchukuo in Opium Control

The *Manchuria Daily News* quotes the sanitation superintendent of the Kwantung Government as stating that the existing system of opium control in Kwantung is not exactly in accord with the new opium control system of Manchukuo, and therefore alterations of the Kwantung system have been proposed to the Central Government in Tokyo.

Japanese Deported from U. S. A. Arrive Back in Japan

Six Japanese deported from America, were landed at Kobe from the s.s. *President Harrison* recently. One of them, Fujio Kageyama reported to the water police the "unreasonableness" of the American authorities, complaining that he was a victim of the aggravated anti-Japanese feeling of Americans due to the Manchurian problem. He stated that without any previous inquiry, he was taken to the police station from his bed. Kageyama was a gardener who had lived in Los Angeles for several years.

American Policy Toward the Sino-Japanese Dispute

BY RAYMOND LESLIE BUELL
(American Foreign Policy Assn. N. Y.)

FOLLOWING Japan's invasion of Jehol province in January 1933, it was informally announced in Washington that the United States had recently informed other powers that it still adhered to the non-recognition doctrine laid down in its note of January 7, 1932. That this would also be the attitude of the next administration was indicated by a statement issued on January 17, 1933 by President-elect Roosevelt in which he declared that "American foreign policy must uphold the sanctity of international treaties. This is a cornerstone on which all relations between nations must depend."

The Japanese invasion of Jehol has once more demonstrated that the combined efforts of the League of Nations and the United States have been ineffective in maintaining peace in the Orient. The reason why the League of Nations has not been more successful in the present crisis have been discussed in a previous report.[1] The nature and results of American policy will be analyzed in the following pages.

The Japanese offensive in China, which broke out in September 1931, constituted a challenge not only to the Anti-War Pact, of which the United States was co-author, but to the traditional policy of the United States in the Orient. It may be doubted whether the Hoover-Stimson administration would have taken the initiative in support of the Anti-War Pact had a serious controversy broken out in Europe. The United States, however, did not believe that it could ignore the Sino-Japanese dispute, because Japan had defied the principles of the Open Door and the territorial integrity of China, formally embodied in the Nine-Power Treaty concluded at the Washington Conference of 1922, as well as the balance of power in the Pacific established at that conference.

When the Sino-Japanese dispute broke out, the United States could have adopted either an "independent" or a "cooperative" policy for the maintenance of peace: it could have made unilateral protests to Japan, without reference to the views or action of other powers; or it could have joined other states in establishing a common front on behalf of peace. In practice American policy—necessarily the fruit of improvisation, having been accentuated by the fact that the United States did not belong to the League—was a combination of both the "independent" and the "cooperative policies.[2]

Between September 22, 1931 and January 7, 1933, the State Department issued nine communications urging the parties not to violate their obligations under the Anti- War Pact and the Nine-Power Treaty, five of which were addressed to the Japanese government alone.[3] The State Department, however, early expressed a desire to cooperate with the Council of the League of Nations. Thus, on October 5, it communicated to the Council a memorandum stating that the "American Government acting independently through its diplomatic representatives will endeavor to reinforce what the League does... ..." On November 7 the announcement was made that it was the policy of the United States, "by acting independently through diplomatic channels and by reserving complete independence of judgment as to each step, to cooperate with and support other nations of the world in their objective of peace in Manchuria."[4] Commenting on December 10 on the resolution establishing the Lytton commission, Secretary Stimson declared that from the beginning the United States had "endeavored to cooperate with and support the efforts of the Council by representations through diplomatic channels to both Japan and China."

The United States and the League

During this period, however, the cooperation of the United States with the League was not complete. On the outbreak of the Sino-Japanese conflict, members of the League Council wished to establish a commission of inquiry, in accordance with the procedure applied by the League in previous disputes. Had this commission been established, peace might have been soon restored. On September 23, however, the Japanese representatives suddenly stiffened their opposition to the proposed commission, explaining "that they had received word from their Washington embassy that Mr. Stimson, in orally urging peace on their Ambassador that morning, had opposed the commission and criticized the Council tactics." The American observer at Geneva later confirmed this report. The proposal for a commission consequently was dropped.[5]

During the September meeting of the Council, personal contact between the United States and the League of Nations was maintained unofficially through the American consul at Geneva, Mr. Prentiss Gilbert, and the American minister at Berne, Mr. Hugh Wilson. At the October meeting, the United States established an official basis of cooperation by accepting an invitation from the Council members, with the exception of Japan, to have Mr. Gilbert sit at the Council table. The American representative participated in four meetings of the Council beginning October 16, but made no statement even concerning the application of the Anti-War Pact except when responding to the greetings of his colleagues. At the November meeting of the Council, held in Paris, the United States abandoned the precedent of being openly represented at the Council table: Mr. Dawes, Ambassador to London, was instructed merely to be "available for conference" with the Council members. In January 1932, the United States adopted still another policy of keeping in touch with the League. On two occasions at least the State Department allowed the British representatives to speak for the United States at the Council, although American officials were at the time present in Geneva.[6]

On the basis of Mr. Stimson's October 5 statement, declaring that the United States would endeavor "to reinforce what the League does," it was natural for the League Council to assume that the State Department would make representations to China and Japan similar to those which the Council had decided to make after consulting the United States. This policy was followed when, on September 24, the United States sent identic notes to China and Japan, corresponding to those sent to these countries by the president of the League Council on September 22. League officials expected the State Department to take similar action concerning the draft resolution of October 24, calling on Japan to withdraw its troops to the Manchuria railway zone by November 16—a resolution adopted by the Council members, Japan excepted, in the presence of the American representative, Mr. Gilbert, who offered no objection. The State Department, however, remained silent until November 5, when it sent a private memorandum to Japan which failed to mention any evacuation date, but declared that Japan had "temporarily, at least, destroyed the administrative integrity of China..." On December 10 Secretary Stimson publicly endorsed the resolution adopted that day by the Council establishing the Lytton commission.

The United States Follows an Independent Policy

Although the United States thus supported some of the Council resolutions, it did not hesitate to take the initiative, especially after the adjournment of the December meeting of the Council. Thus on January 7, 1932 the State Department, without first securing the support of any other power, dispatched its famous note to China and Japan declaring that

1. Raymond L. Buell, "The Weakness of Peace Machinery," *Foreign Policy Reports*, Vol. VIII, No. 14, September 14, 1932.
2. For a historical account, cf. John deWilde, "The League and the Sino-Japanese dispute," *Foreign Policy Reports*, Vol. VIII, No. 10, July 20, 1932. Cf. also Clarence G. Berdahl, "Relations of the United States and the Council of the League of Nations," *American Political Science Review*, June 1932.
3. "Conditions in Manchuria," *Senate Document, No. 55*, 72nd Congress, 1st Session.
4. *The United States Daily*, November 7, 1931.
5. Clearence Streit, *New York Times*, September 17, 1932; Berdahl, "Relations of the United States and the Council of the League of Nations," and sources cited therein.
6. Cf. remarks of Mr. J. H. Thomas, February 2, League of Nations, *Official Journal*, March 1932, p. 350; and Sir John Simon, February 29, *ibid.*, p. 919. On one occasion Secretary Stimson was reported to have been highly indignant at the misrepresentation of the American position by Sir John Simon. Cf. also Berdahl, "Relations of the United States and the Council of the League of Nations," cited, p. 523; and *Manchester Guardian Weekly*, November 4, 1932.

> "it can not admit the legality of any situation *de facto* nor does it intend to recognize any treaty or agreement . . . which may impair the treaty rights of the United States . . . and that it does not intend to recognize any situation, treaty, or agreement which may be brought about by means contrary to the covenants and obligations of the pact of Paris."

Secondly the United States, alone of the great powers, concentrated its entire fleet in the Pacific. In January 1932 the scouting fleet, ordinarily stationed in the Atlantic, joined the battlefleet at Hawaii for manoeuvres. Although these manoeuvres were soon completed, the Navy Department announced in May that the scouting fleet would remain in the Pacific until October 1, a date which subsequently was postponed until after the fleet concentration in the winter of 1932-1933.[7]

In the third place, the State Department on January 26, 1932 published the entire text of its correspondence with Japan,[8] which hitherto had been kept secret, but which now revealed that the United States had taken a stronger stand against Japan than the League of Nations. The publication of these protests in a single document, at a time when the League seemed to be weakening, further aroused the Japanese against the United States.

Fourthly, on February 23, 1932, Secretary Stimson sent a letter[9] to Senator Borah, declaring that the Nine-Power Treaty

> ". . . was one of several treaties and agreements entered into at the Washington Conference by the various powers concerned, all of which were interrelated and interdependent. 10 No one of these treaties can be disregarded without disturbing the general understanding and equilibrium which were intended to be accomplished and effected by the group of agreements arrived at in their entirety . . . The willingness of the American government to surrender its then commanding lead in battleship construction and to leave its positions at Guam and in the Philippines without further fortification, was predicated upon, among other things, the self-denying covenants contained in the Nine-Power Treaty . . . One can not discuss the possibility of modifying or abrogating those provisions of the Nine-Power Treaty without considering at the same time the other promises upon which they were really dependent."

Finally, on August 8, Secretary Stimson made an address before the Council on Foreign Relations of New York which constituted a vigorous defense of the Anti-War Pact, and which by implication at least held Japan guilty of having violated this pact. In the opinion of some observers this speech, which was warmly resented in Tokyo, made the recognition of Manchoukuo by Japan inevitable. The State Department, however, remained silent when such recognition was extended on September 15, and even when the Lytton Report was published on October 2.

Results of American Policy

From the point of view of the development of world peace machinery, at least four constructive gains are attributed to the Hoover-Stimson policy toward the Sino-Japanese dispute: (1) the United States for the first time since the war took the "initiative" in maintaining peace in a major international controversy; (2) it advanced a new and "revolutionary" interpretation of the Anti-War Pact; (3) it cooperated with the League of Nations more closely than ever before; (4) it laid down the non-recognition doctrine, which may prove of great importance to the development of world organization. In the following pages these gains will be analyzed.

The United States Takes the "Initiative"

It is the general consensus of informed opinion that, despite many shifts of policy, the United States made a more determined effort to maintain peace in the Orient than any other great power or the League of Nations.[11] The United States was the first government to protest to Japan[12] and to enunciate the non-recognition doctrine. It was the only power to concentrate its fleet in the Pacific, and Mr. Stimson was the only foreign minister

7. Cf. *New York Times*, May 21, 1932; and Admiral Pratt's statement of September 30 *(New York Herald Tribune*, October 1, 1932).

8. Cf. "Conditions in Manchuria," cited.

9. U. S., State Department, *Press Releases*, February 27, 1932, No. 126, p. 201.

10. Legally there does not seem to be any more connection between the Nine-Power Treaty, which has no time limitation, and the Naval Treaty, which may be terminated in December 1936, than between the Treaty of Versailles and the unratified treaty of alliance between England, France and the United States.

11. For the political factors responsible for the lukewarm attitude of the great powers of Europe, cf. R. L. Buell, "The Weakness of Peace Machinery," *Foreign Policy Reports*, Vol. VIII, No. 14, September 14, 1932, p. 168.

12. Cf. the memorandum of September 22, and that of October 11, relative to the bombardment of Chinchow; also "Conditions in Manchuria," cited. The League Council did not protest to Japan until the memorandum of the 12 neutral members of February 16. *Official Journal*, March 1932, p. 383.

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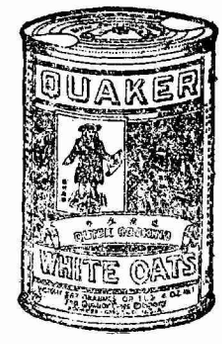

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to make speeches or write letters to which Japan took strong exception.

Although many believers in world peace have hailed this development, others fear that it has aroused the resentment of the Japanese people against the United States more than against any other country. A policy of taking the "initiative" means that a state acts alone, without any assurance that its acts will be supported by other states. By taking the "initiative" in supporting a multilateral treaty such as the Anti-War Pact, a government may thus become involved in onerous responsibilities which can safely be assumed only by an international organization embracing every state. Would not the United States have achieved more effective results, with less danger to itself, had it exerted its efforts on behalf of peace within the framework of an international organization, rather than through what tended to be an "independent" policy?

Other critics resent the fact that the United States washed its hands of the Sino-Japanese dispute following the publication of the Lytton Report, which constituted the first proposal for a constructive settlement of the Manchuria controversy. Mr. Edwin L. James writes that the failure of the United States to support the League on publication of this report "immediately removed most of the force back of the Lytton report and automatically increased the resistance of Tokyo to its proposals."[13]

A New Interpretation of the Anti-War Pact

It is contended in the second place that, as a result of its policy in the Sino-Japanese dispute, the United States has transformed the Kellogg-Briand pact into an "organized instrument for peace settlements."[14] To understand the extent to which the Anti-War Pact has been transformed by the Hoover-Stimson policy, it is necessary to refer to the original meaning attached to that instrument by the leading powers.

During the negotiation of the Anti-War Pact, the French government asked that the renunciation of war as an instrument of national policy should exclude the exercise of "legitimate self-defense."[15] Although the United States did not wish to recognize the right of self-defense in the text of the Anti-War Pact, it nevertheless declared, in a note sent to each of the 14 signatories on June 23, 1928, that there was nothing in the American proposal which "impairs in any way the right of self-defense" and that each nation "alone is competent to decide whether circumstances require recourse to war in self-defense. If it has a good case, the world will applaud and not condemn its action." Subject to this understanding, the Anti-War Pact was ratified.

In testifying before the Senate Committee on Foreign Relations, Secretary of State Kellogg declared in 1929: "I knew that this Government, at least, would never agree to submit to any tribunal the question of self-defense, and I do not think any of them would."[16] The only external restraint was the "opinion of the world"—which was apparently a "moral" rather than a "legal" force. During the Senate debate of the treaty, Senator Borah, Chairman of the Committee on Foreign Relations, stated:

> "No nation will surrender the right to determine for itself . . . what is justification for defense . . . This treaty can never go to any court . . . The United States would have nothing to do with deciding the question of self-defense with reference to the action of any other nation unless the action of that nation were in the nature of an attack upon the United States itself . . . It will be for the government of the United States to determine upon any particular state of facts, or any set of conditions, as to what constitutes a defense of its rights."[17]

Finally, the Committee, in its report interpreting the Anti-War Pact, declared that "each nation...is the sole judge of what constitutes the right of self-defense and the necessity and extent of the same."[18]

Moreover, Great Britain, Japan, and the American Senate Committee on Foreign Relations all advanced wide interpretations of the right of self-defense. Thus, in its note of May 19, 1928, the British government reserved the right to protect "certain regions of the world"—the location of which was undefined—as a measure of self-defense. The Senate Committee, in its report, declared that "under the right of self-defense allowed by the treaty must necessarily be included the right to maintain the Monroe Doctrine which is part of our system of national defense." Secretary Kellogg and Senator Borah went even further and expressed the view that the Anti-War Pact would not interfere with with the practice of armed intervention in any part of the world, since such intervention would be in defense of an "interest" of the United States.[19]

Although the Japanese government made no reservation concerning Manchuria at the time of signing the pact,[20] Foreign Minister Tanaka, replying to an interpellation in the House of Peers on January 29, 1929, declared:

> "Manchuria and Mongolia are of course within the sphere where our right of self-defense can be exercised.... As to the relations between the Anti-War Pact and Manchuria, in case the peace of Manchuria were disturbed, Japan should be justified in taking necessary measures as a measure of self-defense. In such cases Japan should not be bound by the Anti-War Pact."[21]

Thus a "self-defense" doctrine was proclaimed to justify the use of force by Great Britain in certain undefined areas lying outside the British Empire; by the United States in Latin America and elsewhere; and by Japan in Manchuria and Mongolia. According to one interpretation, the wide meaning thus given to "defense" considerably weakened the restrictions which international law had formerly imposed upon the exercise of this right. These restrictions were defined by Secretary Webster in the Caroline case in 1842, when he declared that force in self-defense might be employed in foreign territory provided "the necessity of that self-defense is instant, overwhelming, and leaving no choice of means, and no moment for deliberation."[22] The interpretations of self-defense advanced in 1928 seemed to disregard these restrictions.

Moreover, no principle of international law had previously justified the doctrine that each state constituted itself the exclusive judge of whether it had violated its international obligations in invading foreign territory. On the contrary, when two states disagreed as to whether one of them had violated any obligation arising out of a treaty or the general principles of international law, an international dispute came into existence. These principles were openly accepted by the great majority of states when the League of Nations was established.[23] The American note of June 23, 1928 declared, however, that each state *alone* was competent to determine when circumstances justified recourse to self-defense—an interpretation which may have weakened the previously accepted principle that such a question was a matter of international concern. Far from imposing any collec-

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13. "The New Year Requires Revised Foreign Policy," *New York Times*, January 1, 1933.

14. President Hoover's acceptance speech of August 11, 1932.

15. Art. I, Draft Proposal of April 20, 1928. *The General Pact for the Renunciation of War* (Government Printing Office, Washington), p. 22.

16. *General Pact for the Renunciation of War*, Hearings before the Committee on Foreign Relations, 70th Congress, 2nd Session, December 1928, Part I, p. 4.

17. *Congressional Record*, Vol. 70, January 1929, p. 1063, 1066, 1069. Senator Borah declared that this was a weakness, but one which was inherent in "human nature."

18. *Senate Report No. 1*, 70th Congress, 2nd Session, January 14, 1929. This report was drawn up as a result of the Senate debate, in which many senators declared that it was necessary to remove the popular "illusion" that the Anti-War Pact prohibited war. Cf. Senator Bingham's remarks, *Congressional Record*, January 10, 1929, p. 1479.

19. Before the Senate Committee, Mr. Kellogg declared that self-defense "covers all our possessions, all our rights; the right to take such steps as will prevent danger to the United States. I have said over and over again, that any nation has the right to defend its interests anywhere in the world." (Hearings before the Committee on Foreign Relations, Cited, p. 626.) Senator Borah in the Senate debate declared: "We would have a perfect right to send an expedition anywhere, whether into Mexico or China, if it were necessary, in order to protect the lives and property of our citizens against actual threatened attack." (*Congressional Record*, January 4, 1929, p. 1132; cf. also *ibid.*, January 3, 1929, p. 1068.)

Admiral Pratt, Chief of Naval Operations, declared in his testimony of February 17, 1932: "Defense of the country includes certain primary functions, (i) a defense of our territory against invasion; (ii) defense of our commerce; (iii) defense of our nationals abroad; (iv) defense of our national rights." Hearings before the sub-committee of House Committee on Appropriations, Navy Department Appropriation Bill for 1933 (Washington, Government Printing Office), p. 40.

20. When the treaty was presented to the Privy Council, a member raised the question of whether such a reservation had been made. A government representative is reported to have declared that the Japanese government took it for granted that in "those regions where she had paramount and vital interests" Japan would be exempt from the obligation of the Anti-War Pact, especially in view of the reservations made by the other governments. The proceedings of the Privy Council are not published, and this information is taken from Dr. I. Nitobe, "Japan and the Peace Pact," radio address, August 20, 1932.

21. *Kanpo (Official Gazette)* House of Peers, extra edition, January 30, 1929, p. 56.

22. J. B. Moore, *Digest of International Law* (New York, Macmillan, 1924), Vol. II, p. 412. Writers as early as Grotius, Machiavelli, Pufendorf and others recognized that definite restrictions existed on the exercise of the right of self-defense. Cf. B. C. Rodick, *The Doctrine of Necessity in International Law* (New York, Columbia University Press, 1928), Chapters I, IV, and VI.

23. Buell, "The Weakness of Peace Machinery," cited, p. 164.

tive responsibility for the enforcement of the Anti-War Pact,[24] this restrictive interpretation would seem to prevent a signatory of the Anti-War Pact from challenging the claim of another signatory that a given act of force was justified on grounds of self-defense, and it also seemed to prevent arbitration of the question. The only appeal was to the "opinion" of the world, which was a "moral" force, not necessarily connected with governmental action.[24a]

During the Sino-Japanese dispute, the Japanese government did not deny that restrictions existed on the exercise of the right of self-defense, but contended that it had not exceeded them. Moreover, citing the American note of June 23, 1928, the report of the Senate Committee on Foreign Relations, and the British note of May 18, 1928, Japan declared: "The right to pronounce a decision on an act of self-defense falls solely within the sovereign appreciation of the interested State."[25]

The Hoover-Stimson administration definitely refused to accept the restrictive interpretations placed on the Anti-War Pact in 1928, or the interpretation advanced by Japan in 1931-1932. In an address at Pittsburgh on October 26, Secretary Stimson declared that there was nothing in the treaty to warrant "the destructive interpretation" that "each signatory was to be the sole judge of its own behavior...And we went to work from the very beginning to show what the treaty meant to us and what we should contend that it necessarily meant to every one else."[26] In his address of August 8, the Secretary declared that the only limitation to the broad covenant against war was the right of self-defense, the limits of which had been clearly defined by countless precedents.

> "A nation which sought to mask imperialistic policy under the guise of the defense of its nationals would soon be unmasked. It could not long hope to confuse or mislead public opinion on a subject so well understood or in a world in which facts can be so easily ascertained and appraised as they can be under the journalistic conditions of today."[27]

In thus denying that each state alone was judge of what the treaty meant, and in vigorously supporting his own conception of the Anti-War Pact, Mr. Stimson definitely challenged the 1928 interpretations of the Anti-War Pact on which Japan had relied to justify its acts in Manchuria. A Chinese scholar states that the Hoover-Stimson policy constitutes "a revitalizing of the Pact of Paris." By the time the commentators had finished with the pact in 1928 it had "lost much of its strength and has since even become the object of obloquy." Mr. Stimson, however, had restored the "Pact almost of its original categorical position."[28]

General acceptance of the Stimson view of the Anti-War Pact would obviously be of great importance, since the interpretations given that instrument in 1928 made the Anti-War Pact little more than a moral declaration in favor of peace . Nevertheless, two questions arise: First, can the American government alone now set aside an interpretation advanced by the United States and accepted by the other signatories at the time when the Anti-War Pact was concluded in 1928? Opinions differ as to whether the interpretations placed on the pact at

24. Cf. the following: Senator Walsh of Montana: "Supposing some other nation does break this treaty, why should we interest ourselves in it?" Secretary Kellogg: "There is not a bit of reason." Hearings before the Committee on Foreign Relations, cited, p. 14.

24a. A Spanish scholar declares that these interpretations constituted a "triumph for the North American element which defends isolation. What is really paradoxical is that these anti-cooperation tendencies are strengthened" by the Anti-War Pact, thus interpreted. (Camilo Barcia Trelles, *Doctrina de Monroe y Cooperacion International*, Madrid, p. 618). Argentina, Bolivia, Salvador, Uruguay and Brazil have not ratified the Anti-War Pact, largely because of the position taken by the United States concerning the Monroe Doctrine. (Cf. U. S. State Department, *Treaty Information*, Bulletin 29, February, 1932; also, C. Balbareu, *Le Pacte de Paris*, Paris J. Gamber, 1929, p. 87.)

25. League of Nations, *Observations of the Japanese Government on the Report of the Commission of Enquiry*, C.775.M.366.1932.VII, p. 24, November 19, 1932. Even if this contention is true under the Anti-War Pact, it is not necessarily true under the League Covenant.

26. *New York Times*, October 27, 1932.

27. Dr. Nitobe asks: "With all my respect for the journalism of today, may I not say that whoever builds his policy on newspapers builds only a house of paper?" *Japan and the Peace Pact*, radio address, August 20, 1932.

28. Dr. Yuen Li-Liang, *The Pact of Paris as Envisaged by Mr. Stimson: Its Significance in International Law*. (Privately distributed, August 1932.) The United States did not formally charge Japan with having violated its obligations; nevertheless, it made such charges by indirection as in the note of January 7, in Mr. Stimson's speech of August 8, and in Mr. Stimson's letter to Senator Borah. Commenting on the Stimson letter, the Japanese *Jiji* states: "We find it impossible to understand why the Secretary thought fit to refer to the necessity of observing treaty obligations unless we assume he believed that the doings of the Japanese in China were in violation of the covenants of these treaties." Cf. *Trans-Pacific*, March 3, 1932.

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the time of signature are legally binding in the future.[29] Whatever the correct legal answer to this question, many observers believe that the United States Senate would not have approved the pact had it believed it meant what Mr. Stimson subsequently said it meant. They also contend that no government can unilaterally attempt to wipe out an interpretation accepted by fourteen states before the signature of the Anti-War Pact, without being accused of bad faith. Legally the United States can escape this difficulty by inducing the other signatories to conclude a protocol embodying a new interpretation of the pact.[30]

Secondly, even if it is admitted that the question of whether a given state exceeds the bounds of self-defense under the Anti-War Pact is a matter of international concern, it does not follow that Japan is under any obligation to accept the views of the United States on this question. Differences as to whether a state has violated its international obligations cannot be settled by a policy of "shouting moral disapproval;" they can be settled only by recourse to international procedure, such as the Permanent Court of International Justice or the League of Nations. Had the United States urged Japan to submit the question whether it had violated its obligations to either of these forums, its position might have been more tenable. The United States did not do so, however, apparently because it had not associated itself with either institution. A state which refrains from associating itself with any form of international organization capable of applying the Anti-War Pact may offer its good offices to states involved in a conflict; but when it goes further and virtually intervenes in support of its own interpretation of the Anti-War Pact, it obviously runs the risk of arousing nationalistic antagonisms. The Japanese today strongly resent what they regard as the attempt of the United States to become the unilateral guardian of the Anti-War Pact.[31]

Cooperation With the League of Nations

A third gain attributed to the Hoover-Stimson policy during the Sino-Japanese dispute is that the United States cooperated more closely with the League of Nations than ever before.[32] Moreover, it also openly accepted the principle of "consultation."[33] Finally, Secretary Stimson in his address of August 8 intimated that neutrality belonged to the past, thereby implying that the United States would not insist upon the "neutral right" to trade with the aggressor should the League wish to apply economic sanctions under Article XVI.[34]

Despite these gains, critics raise a number of objections to American policy. They declare that during the recent dispute the United States did not work out a method of cooperation with the League complete enough to establish a common front; and that, on the contrary, American policy either imposed a veto on League action, as in the case of the commission proposed in September, or vacillated to such an extent that the League had no means of knowing what response the United States would give to any of its proposals.[35]

Although this rather halting policy could be explained by the fact that the United States—which is not a member of the League—was proceeding on a basis of "trial and error," nevertheless the manner and extent to which the United States will cooperate with other nations in the future still remains undefined. So long as the United States insists on retaining "independence of judgment" as to its course of action in each international dispute, critics believe that responsible and regularized international procedure will inevitably be weakened. Many supporters of the Hoover-Stimson policy assert, however, that having accepted the principles of "consultation" and "non-recognition," and having implied that neutrality belongs to the past, the United States will soon proceed to apply these principles through orderly international means.

(To be continued)

Japan Looks to Saghalien to Increase Oil Supply

Tokyo papers report that the oil supply is being made a subject of discussion in Japan, because of the momentous international situation. Japan is rather confident of self-sufficiency of coal, but, in view of a difficult self-supply of oil. the country is studying the matter in earnest. Particular attention is being paid to Saghalien. The North Saghalien Oil Company under Japanese management is making strenuous efforts, to increase production. The company's plan for increased production is liable to be hampered, it is reported, by the Soviet's pressure. The concern has decided to excavate 30 new oil wells under a Government subsidy of Yen 280 000, which was approved by the present Diet session. These new wells together with 120 old wells are expected to produce 250,000 tons of oil a year, an increase of 50,000 tons over last year. The company also has decided to buy 250,000 tons out of 400,000 produced by Soviet oil wells in North Saghalien for 1933 and 1934. It is also trying to get the sole sales agency in Japan for Baku oil. The lease of the oil field acquired from the Soviet Union expires in 1936 and the company is trying to renew for a period of 10 years more.

Committee of 21 Appoints Two Sub-Committees

The Advisory Committee of Twenty-one, appointed by the Assembly of the League of Nations to deal with the Sino-Japanese dispute, met at Geneva March 15. The meeting lasted for two hours and-a-quarter. Hugh Wilson, the American delegate, was in attendance. On the suggestion of Captain Anthony Eden (Britain), an important sub-committee was appointed to explore the matter of the export of arms to the Far East. The question of Manchukuo also cropped up and a second sub-committee was appointed to look into this subject as well as others.

The first sub-committee is composed of the five big Powers (Britain, France, Germany, Italy and the United States) and Spain, Czecho-Slovakia, Sweden, Norway, Switzerland and Holland, while the second sub-committee is composed of the five great Powers and Ireland, Turkey, Holland, Spain, Sweden, Mexico and Norway.

Bob-Haired Japanese Girl Excites Policeman's Suspicion

A policeman walking his beat in the Kanda district of Tokyo March 2 saw a girl who, according to the *Hochi*, looked suspicious for the following reasons: Her hair was bobbed, she wore spectacles, she carried a bulky parcel under one arm, and she appeared to be waiting for someone. Forthwith the officer took said girl to the Manseibashi station for questioning, and the grisly truth came out; she was a *Radical*!

The bulky parcel, said the *Hochi*, contained copies of *Proletarian Youth*, a prohibited publication. She was questioned and a special investigator from the Metropolitan Police Board was detailed to handle the case.

Refugees Who Fled into Russia With Gen. Su Ping-wen Return to China

More than a thousand Chinese refugees who fled to Soviet Russia following the retreat of General Su Ping-wen, landed at Tangku March 15 and proceeded to Peiping the following day. They made the trip via Vladivostock. Their physical condition was pitiful.

29. Cf. "The Anti-War Pact," Foreign Policy Association, *Information Service*, Vol. IV, No. 18, p. 371.

30. A number of critics believe that since the United States was not a member of the League of Nations it would have been in a stronger position had it based its protests to Japan on the Nine-Power Treaty rather than the Anti-War Pact. Japan was not "alone" competent to determine the meaning of the Nine-Power Treaty. Article VII of this agreement provided that: "The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned." In none of the published correspondence did the United States refer to this article.

31. In 1929 the Soviet government informed the United States that in its view: "The Paris Pact does not give any single State or group of States the function of protector of this pact." Buell "The United States and the League of Nations," Foreign Policy Association, *Information Service*, Vol. VI, No. 9, July 9, 1930.

32. Cf. p. 281.

33. Cf. the Stimson address of August 8, which declared that consultation was inevitable under the Anti-War Pact, and President Hoover's acceptance speech of August 11.

34. Mr. Stimson stated that "War is no longer to be the source and subject of rights. It is no longer to be the principle around which the duties, the conduct, and the rights of nations revolve. It is an illegal thing Hereafter when two nations engage in armed conflict, either one or both of them must be wrong doers—violators of the general treaty. We no longer draw a circle about them and treat them with the punctilios of the duelist's code. Instead we denounce them as law-breakers.

"By that very act we have made obsolete many legal precedents and have given the legal profession the task of re-examining many of its codes and treaties."

35. Cf. Berdahl, "Relations of the United States and the Council of the League of Nations," cited.

Japan's Aims in Manchuria

BY SAO-KE ALFRED SZE*

THE present Chinese-Japanese controversy is one in which the whole world is concerned because it involves the questions whether the sanctity of such solemn multilateral treaties as the Covenant of the League of Nations, the Kellogg Peace Pact and the Washington Nine Power Treaty shall be maintained, and whether the instrumentalities for the maintenance of international peace which the world with such great effort has built up since the Great War shall be made effective or be shown to be impotent.

As regards the form in which this help shall be extended, the Chinese do not ask that Europe and America should fight their battles for them. Thus, we do not ask that the United States and other nations should use their military forces in order to assist in expelling from our territory the Japanese troops which have so ruthlessly invaded it. We do expect, however, that the nations of the world will stand firmly by the principles incorporated in the solemn international undertakings to which I have referred, and pronounce a clear and definite verdict that Japan has been guilty of violating them.

The people inhabiting Manchuria number over thirty millions and are almost entirely pure Chinese. Even of the Manchus there are only a few. As for the Japanese domiciled in Manchuria, they constitute but a mere handful, and these live, for the most part, in a few of the larger cities or within the so-called areas of the South Manchuria Railway which is controlled by the Japanese Government.

It is certain that, whatever efforts may be made by the Japanese Government, it will be impossible for the Japanese to make their homes in Manchuria in numbers sufficient to make any real impression upon the millions of Chinese already inhabiting that territory. Whatever may happen to Manchuria politically, it will remain in soul and body predominantly Chinese.

***

Though successful in obtaining the approval by the Allied Powers of its right to remain in Shantung, Japan found this continental adventure a too costly one for her, and in 1922 obtained the best terms she could from China and withdrew. As regards Japan's attempt to occupy Eastern Siberia, you will remember that Japan united with the United States and Great Britain, in 1918, in a military expedition with limited objectives into the eastern portion of Russia's Asiatic possessions. When these objectives had been achieved, so far as it was possible to achieve them, the United States and Great Britain withdrew their forces, but Japan, forgetful of her agreements and giving one excuse after another, refused to do so. This caused considerable apprehensions upon the part of the other Powers, and, at the Washington Conference, Secretary of State Hughes took occasion to intimate, in a clear manner, the view of the United States that Japan had not acted, and was not acting, in conformity with its undertakings at the time the Allied intervention had been agreed upon. Japan, however, continued to keep her troops in Siberia, but, faced with the continued opposition of the inhabitants of that territory, found her enterprise a too costly one, and, eventually, found it to her own interest to evacuate her troops.

There are two instances in recent history in which Japan, without regard to international right or her own undertakings, attempted permanently to occupy areas upon the continent of Asia, but, faced by the opposition of the populations concerned and the moral disapproval of the world, was compelled to acknowledge failure.

***

Japan's real aims in Manchuria are set forth by Gyokujo Hanzawa, editor of *Gaiko Jiho*, as follows: "The balking of American ambitions in the Far East and the freeing of China from the aggression of other Occidental nations form the reasons for the drastic action that Japan took in Manchuria and at Shanghai. The enemies which Japan has consistently recognized are the League and America. Japan's enemy was not the 19th Route Army (of China) but the recognition of the existence of the world's greatest potential military power (United States). The bombing of the Commercial Press by our heroic airmen was a notice to the League of Nations to cease interfering in the Far East."

* Extracts from an address before the Richmond College Club, Richmond, Va., Feb. 14, 1933.

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For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

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Japan's Militarism and World Peace

BY HU CHONG (胡忠)

NO matter how much the Nipponese may claim the international position of their country has been elevated since Meiji, it is certain that they have not advanced in the least in respect of political thoughts. Although they have made wonderful progress in medicine, architecture, road-building, ship-building, banking and armaments—which are requisite to a modern civilized nation – yet their deep-rooted belief in the divine right of their Mikado and the theory of territorial expansion remains still unchanged. Emperor Hirohito of the Island Empire is now the only monarch on earth whose words must be laws even at the cost of millions of lives of his subjects. Despite the collapse of imperialist Germany due to her failure in the conquest of the world and the contemplated withdrawal from their colonies by Great Britain and the United States, owing to the fact that nothing practically beneficial, only the hostility and antagonism of the colonists can be achieved, imperialist and militant Japan is now feverishly and successfully carrying out her policy of territorial expansion at the cost of her peaceful but militarily inferior neighbor in violation of all international agreements and treaties and regardless of world condemnation and peace.

Why China Is "Disorganized"

The world at large may be tired of hearing that China is often accused by Japan of being a "disorganized country," but in the past she has endeavored to assist one party against another either financially or otherwise so that China might not become a united and "organized" country. Were the Nishihara loans of Yen 350,000,000 granted by Japan in 1917/19 to the Anfu clique not used to frustrate the unification of China? Did Japan in May, 1928. not send an Expeditionary Force to Tsinan the capital of Shantung, to check the advance of Nationalist Troops so that the country might not be united? Without Japanese instigation and financial aid to her traitors, China would have been united and become an" organized nation" long ago.

With world-wide depression and many millions of unemployed in America, the economists of to-day might have realized the impractibility, though not impossibility of their theory of enriching oneself at the expense of others. When the international relation is so interlocked, the world machinery cannot keep functioning smoothly so long as there is one part thereof which is impaired. What is the cause of America's unprecedented unemployment? Has Uncle Sam now become so poor as China? The factories are forced to close down simply because they are unable to find a market for their products due to the impairment of some parts of the world machinery.

When America is facing such an unprecedented, almost insoluble crisis, it is beyond the ability of President Roosevelt to prevent her from sinking deeper into the precipice. The problem will find no solution if tackled from within alone. If the impaired part or parts of the world machinery is not repaired immediately, a greater catastrophe will befall the whole world in the form of the Second Great War or World Communism.

The Indifference of the Powers

Since the forceful occupation of the Three Eastern Provinces by imperialist Japan, the Powers have maintained an indifferent attitude toward the issue because of the shortsightedness of their statesmen. It seems to them that to resist Japan's invasion is China's business alone and has nothing to do at all with the whole world It is a great pity that they have never troubled themselves to think that once the whole country is occupied by imperialist Japan, as is very likely if China cannot obtain outside assistance, the door will be closed to all outsiders as in the case of Korea. Although the League has adopted the recommendations of the committee of nineteen opposing the solution of any dispute between nations by force and condemning the military action of Japan in Manchuria, the Power comprising the League will take no action to implement the adoption of the recommendations on account of lack of farsightedness on the part of their statesmen, even if the League may be forced to close down on this account.

Encouraged by the seizure of the Three Eastern Provinces without resistance on the part of China and deeply convinced that their national position, being different from that of imperialist Germany in 1914, no combined force of the Powers will attempt to stop them from further invading the territory of an old peaceful but militarily weak nation. the maddest Nipponese militarists headed by General Araki, their War Minister, will push on their advance like a mad dog regardless of whatever consequences that may arise. In an article in *Tokyo Asahi*, the War Minister openly declared that iron must be struck while it is red-hot. After the occupation of Jehol Province, he will not fail to find other pretexts at his disposal to extend the military operations to North China. After the occupation of North China, the maddest and most crafty War Minister will give other excuses for invading south and central China, until the whole country is occupied. In that event, not only will the conquered become slaves of the conqueror as in the case of Koreans, but all the Powers who have hitherto found a good market in China for their surplus products will regretfully find the business establishments of their respective countries gradually disappearing from this country owing to the barriers erected by the Japanese. When the situation has come to such a pass, as it certainly will, the internal peace of Western nations, especially those whose industry has been highly developed, will be seriously affected by social unrest brought about by the daily increasing number of unemployed due to the accumulated stock of the factories. Then the world must face a catastrophe that is more dreadful, destructive and extensive than the one we had in 1914.

In order to make the world machinery run smoothly we must see that no single part thereof is impaired. Therefore it is high time for all nations intrested in world peace to render China unreserved assistance in the suppression of international brigandage.

Three Koreans Arrested in Plot Against Japanese Minister

Three Koreans, two armed with loaded automatic pistols, a hand grenade and a time bomb, were arrested by the Shanghai Settlement police in Woochang Road, on the night of March 17 on a charge of being involved in an alleged plot on the lives of A. Ariyoshi, Japanese Minister to China, and other high Japanese officials in Shanghai.

The arrest was made on an intimation from the Japanese consular authorities who state that they believe that the trio are connected with the same group which was responsible for the Hongkew Park bombing in April last year in which General Shirakawa, commander of Japanese Army forces here, was killed, and Minister to China Shigemitsu was wounded and permanently crippled. The names of the arrested men are reported to be Li Kung-kon, Pa Chu-po, and Yuan Kong.

Mr. Ariyoshi, is due to return to Japan in April shortly to discuss with the Tokyo authorities the situation in North China as a result of the resignation of Marshal Chang Hsueh-liang.

Dr. Sao-ke Alfred Sze Presents Credentials at Washington

Dr. Sao-ke Alfred Sze, Chinese Minister to the United States, presented his credentials to President Hoover Feb. 24. Dr. Sze stressed the importance of continued cordial relations between the two countries, mentioning at the same time that the Chinese Government had conferred upon him for the second time the responsibilities of the post.

President Hoover in accepting Dr. Sze's credentials said he was confident that the American nation warmly reciprocates the desire of the people and of the government of China to foster the friendship and community of interest which have always distinguished the relations between China and the United States.

Matson Round-the-Pacific Liner Calling at Shanghai

The American Express Company and the Dollar Steamship Lines will act as agents for the Matson Navigation Company's s.s. *Lurline*, which sailed from San Francisco January 27, on a round-the-Pacific cruise, calling at Shanghai March 24-25. Among the passengers for Shanghai are Mr. and Mrs. V. G. Frondorf. The *Lurline* is calling at the following ports in the order named, Los Angeles, Honolulu, Pago Pago, Suva, Auckland, Sydney, Port Moresby, Padang Bay, Samarang, Batavia, Penang, Singapore. Paknam, Manila, Hongkong, Shanghai, Chinwangtao, Miyajima, Kobe, Yokohama, Honolulu and Hilo, being due back in San Francisco, April 24.

Shanghai Municipal Elections—March 27 and 28

For the nine foreign members of the Shanghai Municipal Council, a total of 13 candidates have been nominated as follows:

Two Americans: F. J. Raven and C. S. Franklin; two Japanese: T. Funatsu and O. Okamoto; nine British: A. D. Bell, H. E. Arnhold, N. S. Brown, E. F. Harris, W. P. Lambe, R. G. MacDonald, Brig.-Gen. E. B. Macnaghten, P. W. Massey and F. N. Matthews. Statistics recently published show that the only section of the community that usually turns up to vote anyways nearly in full strength is the Japanese. Thus last year out of an electoral roll of about 3,000, only 1472 voted. Last year 86 per cent of the Japanese voters excercised their privilege; the average for the other communities was about 30 per cent.

The Chinese Councillors will be elected later by the Chinese community.

The foreign voters consist either of property owners or renters of premises whose yearly rental is Tls. 500 or over. The great majority of foreign residents do not have the voting privilege and as less than one-third of the non-Japanese voters exercise their voting rights, in actual practice Shanghai is governed by a small coterie of British vested interests, who defer either to Japanese, American or Chinese interests, in proportion as the exigency makes it expedient.

American Group to Buy Great Wall Railway

The Great Wall Railway, 19 miles long, which links the Great Wall Mine northwest of Chumenkow and Chinwangtao, will be sold to a group of American capitalists together with the Liukiang Railway, connecting the Liukiang Mine and Chinwangtao. a recent Japanese despatch from Tientsin stated. A provisional purchase contract is reported to have been signed between the railway managements and the Americans. Various reasons have been given for the reported railway deal. Some circles express the opinion that it is due to the financial stuation, while others say that the action is merely a temporary step to avoid seizure of the railway by Manchukuo. The Japanese attach considerable importance to the reported American deal.

Japanese Now Regard Chahar as Manchukuo Territory

According to information from the headquarters of General Sung Cheh-yuan, the Japanese now regard Chahar also as a part of the Manchukuo territory. With regard to the defection of Liu Kwei-tang, the *Sin Wan Pao* prints a story from Peiping said that he received one million dollars in cash, thirty field guns and a hundred rifles before he surrendered to the Japanese, while Chueh Hsin-wu, the defender of Kailu, went over to Manchukuo after he received 3,000 rifles and 700,000 munitions from the Japanese army. It is said that these troops are now fighting against the troops under General Sun Tien-ying in northern Jehol.

Chiao-tung University to Hold Engineering Exhibition

The formal opening of the Engineering and Railway Exhibition at Chiao-Tung University will take place March 30. The formal opening of the Yung Wing hall, built as an administrative building, will take place at the same time. Admission to the Exhibition grounds is free upon presentation of an invitation card or ticket which is obtainable upon a written application to the executive secretary of the Exhibition. A four-day program has been prepared, including Chinese boxing, girls' volley ball, basket ball, Chinese drama, football, student concerts, etc.

Bomb Thrown at Chang Hsueh-liang's Residence

The courtyard of the Shanghai residence of Marshal Chang Hsueh-liang and family at 457 Avenue Foch was the scene of a bomb explosion on the night of March 20. The bomb was apparently tossed over the wall. No one was hurt and no actual damage was done. The French police are now heavily guarding the premises.

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Men and Events

The Studebaker Automobile Corporation at South Bend, Indiana, was placed in recevership March 19.

Captain Fred Rogers, commander of the U.S. Destroyer Division 8 has been assigned for duty to Tokyo where he will be Naval Attache to the American Embassy.

Ralph Harris, formerly connected with R. K. O. pictures, who has been visiting in the Far East, has returned to his home in Los Angeles.

Chinwangtao harbor has been freed of ice by the recent warm weather. During the winter the ice field at said port at one time stretched 18 miles out to sea.

Munitions bound for the Far East were stranded on the Russian steamer, *Kharkov*, which is ashore in the Black Sea near the entrance to the Bosphorus last week. The cargo is being transhipped.

Nelson Johnson, the American Minister to China, called on General Ho Ying-ching March 16. The Chinese newspapers state that views were exchanged regarding the situation in the North.

E. F. Harris, President of the Rotary Club, gave an address on "Technocracy and the Douglas System of Social Credit," at the Club's weekly tiffin meeting, at the Metropole Hotel March 15.

At a recent meeting the of Shanghai Chinese Newspaper Reporters' Association it was decided to start a drive to raise funds for the purchase of a fighting plane to be turned over to the National Government.

J. Van Haute, departing Belgian Consul, was given a farewell tiffin at the Shanghai Club March 19. The principal speaker was Edwin S. Cunningham, U.S. Consul General, in his capacity of senior consul.

A large quantity of confiscated opium and opium-smoking paraphernalia was publicly destroyed at the Nanking Customs March 1, in the presence of representatives of various official and civic organs,

Recent messages from South China show that the dumping of Soviet kerosene has been responsible for the closing of many Chinese oil refineries of which there are over 300 scattered over Swatow, Canton and other interior cities.

Baron H. Mitsui, president of the Mitsui Gomei Kaisha, and head of the huge Mitsui interests in Japan, has retired from business in favor of his son, Takakimi. The retiring magnate is in his 77th year.

On account of recent events in the Netherlands East Indian fleet, the Minister of the Navy has ordered every sailor, soldier and marine at Ten Helder, Holland's chief naval base, to sign a declaration that he does not belong to any Socialist organisation.

A French aviatrix, Miss Mary Hilsy, left Paris for the Far East March 15 accompanied by a mechanic. Her airoplane will touch at Hanoi, Hongkong, Swatow, Changchow, Ningpo, Shanghai and Peiping. Then it goes on to Japan by way of Korea.

The Chinese papers report that in view of the uncertain situation in North China the factory of the Eurasia Aviation Company will shortly be removed from Peiping to Loyang. An order to this effect has already been issued by the Ministry of Communications.

Lee Chung-shan, a Korean revolutionary, who was seen carried away by three men in Nantao March 9, has not been heard of since. The theory is advanced that he was abducted by the Japanese who more than once arrested Koreans in the French Concession last year.

Admiral Shen Hung-lieh, Commander of the North-eastern Squadron, has tendered his resignation following the retirement of his chief, Marshal Chang Hsueh-liang. The Government has instructed Admiral Shen to carry on and to withdraw his resignation without delay.

The Chinese Postal Administration issued a circular notice March 14 declaring the suspension of all postal services to Jehol. The Directorate-General of Posts has, however, decided to establish provisional post offices among the various military units operating along the Jehol border, the main object being to serve the troops.

Dr. T. Z. Koo, the well-known Christian leader and lecturer, addressed the members of the Peiping Rotary Club on March 16 when he spoke on the folk airs of China. Dr. Koo said that he had chosen to speak on this subject because it was above controversy and he did not want to discuss a controversial subject in these days of stress and confusion.

Milligram is the title of the house organ of Millington, Ltd., one of Shanghai's leading promoters of publicity. The March issue has among its contents a description of Shanghai's automatic telephone system.

A set of regulations governing the entry into China of foreign airplanes, adopted by the Aviation Administration of the Ministry of War recently, requires a month's notice before any foreign airplane is permitted to fly to China.

The Rev. Frederick W. Norwood, pastor of City Temple, London, has announced his intention of making a tour of China late in the present year, his object being to visit foreign mission stations, not only in China but in Japan, India and Africa.

The Bureau of Foreign Trade (Chinese) here has been instructed by the Ministry of Industry to make preparations for the reception of a Philippine industrial and commercial investigation group which is scheduled to leave Manila for China by the *President Taft* on March 29.

Giuseppe Zangara was electrocuted at Railford, Florida, March 20 for the murder of Anton Cermak, Mayor of Chicago. Zangara made an attempt to assassinate President Roosevelt last month, but his shots going wide killed Mayor Cermak and wounded four other persons in the President's party.

It is announced from Peiping that Dr. Hu Shih has decided to proceed to the United States next June. He will lecture at the University of Chicago for about a month before proceeding to Canada to attend the fifth Biennial Conference of the Institute of Pacific Relations, of which he is chairman. Dr. Hu plans to return to China late in October.

A site has been chosen at Wuchang across the river from Hankow for the State Burial of the late General Li Yuan-hung, former President of the Chinese Republic. His remains will be removed from Tientsin this month. The state burial is to take place at Wuchang because that was the place where the Revolution in 1911 began.

Jabin Hsu, who recently returned to Shanghai from a tour of the world as counsellor to Dr. H. H. Kung's mission, addressed the American University Club at the Astor House March 21. He said over-production, lack of international confidence and good-will, impossible tariff barriers and inefficient regulation of financial institutions are at the bottom of the current world-wide depression.

The Chinese Press is busy conjecturing as to what Marshal Chang Hsueh-liang and his family intend to do in the immediate future. One of them mentions that he celebrated the arrival of Mrs. Chang and their children from Peiping last week by shaving off his mustache. There is a general consensus of opinion that he will proceed with his family to Europe in the near future. For the present he is remaining in Shanghai.

Herbert C. Lewis, American newspaperman, has left Tientsin, where he was a member of the staff of the *North China Star*, and has returned to his home in Brooklyn, New York. Mr. Lewis has worked for the Shanghai *Evening Post*, *China Press*, Philippines *Free Press* (Manila), Peiping *Chronicle* and *International News Service* (Manchuria) during his three years' stay in the Far East.

Lieut. Evans F. Carlson arrived in Shanghai last week and has resumed his previous position as Marine Intelligence Officer. Lieut. Carlson departed from Shanghai about four years ago and proceeded to Nicaragua where he was assigned the work of organizing the native constabulary, later becoming Chief of Police with headquarters at Managua. He had charge of the final evacuation of the American forces from Nicaragua.

The new British gunboat *Sandpiper*, a new gunboat, built for service as a shallow-draught river vessel in the Far East, is being shipped out in cases on the P. & O. s.s. *Chitral*. The *Sandpiper*, which will replace the *Moorhen*, is being carried in the liner's hold as cargo and will be assembled at Shanghai. She is the smallest of five craft of this type built since the war and is part of the 1931 naval construction program deferred on account of economy measures.

Accused as an important member of the local Communist party, Wu Su-chung, a former reporter on a local Chinese paper, was ordered to be extradited to the Chinese military authorities for trial by the Second Branch of the Kiangsu High Court March 18. Wu was arrested several days previously after being at liberty since September last when he was released from the Lunghua military prison where he had served two years' imprisonment for being a Communist. His release followed the declaration of the general amnesty by the National Government.

Who's Who in China

Gen. Chu Ching-lan, Commander-in-Chief of Chinese Volunteer Forces in Manchuria and Jehol; native of Shaoshing, Chekiang; born in 1878 and brought up in Shantung; served under the Ching (Manchu) Government as Commander of the 33rd Army and Inspector-General of Heilungkiang; Civil Governor of Kwangtung; Commander-in-chief of Railway Defence Guards of the Chinese Eastern Railway and concurrently Chief Civil Administrator of the Harbin Special District; Director-General of Kiaochow Port Affairs (Shantung); associated for a long time with the late Gen. Chang Tso-lin and served as advisor to the Headquarters of the Commander of the Northeastern Frontier Defence since 1928; appointed member of the Control Yuan by the Nationalist Government, but did not accept the post; member of the National Famine Relief Commission since 1929; a philanthropist and energetic worker in famine, flood and war relief work in many parts of China; wellknown among both Chinese and foreigners for the integrity of his character and personality; since the Japanese invasion of Manchuria, he has interested himself in organising and raising subscriptions for the Chinese volunteers in Manchuria to oppose the Japanese aggressions and has recently assumed nominal Chief command of these forces now operating in Manchuria and Jehol; address: c/o Headquarters of the Peiping Military Affairs Commission, Peiping.

朱慶瀾 字子橋
Gen. Chu Ching-lan

朱慶瀾，字子橋，年五十九歲，浙江紹興人，長於山東，滿清時任陸軍第三十三協協統，鎮安右將軍，黑龍江巡按使，民國初年任廣東省長，中東鉄路護路總司令兼哈爾濱特別區行政長官，督辦膠濟商埠事宜，東北邊防司令部顧問，國民政府成立後任監察院委員辭未就，近來熱心救濟災荒事業，有聲於世，任國府賑務委員會委員，自九一八事件發生後努力抗日工作，組織義勇軍並籌款接濟，現任東北義勇軍總司令。

Will Wang Ching-wei Resume as Head of the Executive Yuan?

The main topic of news in Chinese internal politics at the time of going to press was concerned with the future of Wang Ching-wei, the Leftist leader, who recently returned from Europe, and who is at present at Nanking. The question of Mr. Wang's resumption of office as President of the Executive Yuan was discussed at the meeting of the Yuan March 21, but no definite decision was arrived at. Mr. Wang claims that his physical condition is such as to not warrant his resuming office. T. V. Soong, the Minister of Finance, who has also been acting as head of the Executive Yuan during Mr. Wang's absence, on his return from Nanking to Shanghai March 21 declared that he had already telegraphed Nanking of the termination of his duties as acting president of the Executive Yuan prior to the return to Nanking of Wang Ching-wei. The latter having returned to the capital, Mr. Soong said that he himself henceforth intended to concentrate on his duties as Minister of Finance.

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sun Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For those who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

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No office, home, school or public library is complete without **Who's Who in China**, containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

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New Books of Interest in the Far East

An Outstanding Japanese Reformer

Kagawa, by William Axling. Harper and Brothers, Publishers. New York and London. $2.00 (U.S.)

The two figures in the religious world of today who tower above all other personalities are now being introduced to the reading public through fascinating biographies. William Axling in Japan has done for Kagawa what Frederick Fisher, so long of India, has done for Gandhi in his book, "That Strange Little Brown Man—Gandhi." B oth biographies can be warmly recommended. They live and breathe with the spirit of the personalities they portray. Both have the advantage of being not too long, of being well-written, of giving a well-rounded interpretation. This one has the advantage of quotations from the writings of the man himself, who writes very much more effectively than does Gandhi. Kagawa is himself a great writer, a prolific writer, his books "Across the Death Line," "The Psychology of Poverty" and others being best-sellers in Japan. The former, discovered by a publisher in search of feature material about Kagawa's work in the slums, was published first as a serial and then in book form, soon reaching the 250,000 mark and putting the young writer into the front ranks of the nation's penmen. The spirit of the man, who identifies himself with the most needy people he can find, is illustrated by the fact that with his writings bringing in an income of $10,000 a year, he and Mrs. Kagawa continued to keep the family budget to $40 a month, so that the rest might be invested in their labor of love.

A prophet and a mystic, Kagawa's practical genius as a social engineer is most outstanding. He revolutionized conditions in the Shinkawa slums, the den of gamblers, prostitutes and drunkards. Here he lived for fifteen years in a six-by-six foot hut, sharing even this humble and cramped abode sometimes with as many as ten other persons. Accused of being the tool of American pacifists or Russian Communists, he has suffered all kinds of persecution even to physical assault. He sees three twentieth-century tendencies which are tangling up the world's life. One of these is the concentration of populations in cities overly large. The second is the machine's mastery of men. The third is the concentration of capital in the hands of the few. But if he is a Communist, he is a Christian communist, In the building of a fairer and finer social order he believes in evolutionary rather than revolutionary processes.

Kagawa is not a traditionalist. He is a pioneer. He is not an ascetic as we usually picture the ascetic. He is a fighter for social righteousness. He is a preacher, but he is a fiery prophet as well. He is a gambler, but a gambler for God. In his own words:

> "The gambler chief in the Shinkawa slums, whom I well knew, hazarded his all. I do the same for a good cause. . . . I have staked my all: property, position, fame, everything has been staked for God. Heads or tails, which will it be? That's as God wills. . . The prophet Jeremiah called himself God's tippler. I will call myself God's gambler. For him I have wagered my last mite."

His own writings, liberally quoted in this biography, are full of most unusual imagery. He writes poetry, and he writes poetry in prose as well. He has been called "The Agitating Poet" because his writings are filled with a social passion. In his "Kingdom of God" Movement which is nation-wide, he rebukes the Christian church in that *he* seeks to change conditions for the unemployed, the underprivileged and the poverty-stricken, whose condition so often goes unameliorated. In good alliteration, as well as good Christianity, the author says Kagawa would have the church "a place where sharing, service and sacrifice are not mere shibboleths, but creative forces hastening the coming of the Kingdom for which Christ so passionately prayed."

This one quotation from his "Meditations" may serve to illustrate the imagery of his writings, though it does not illustrate the poetry of his prose as much as some other things he has written,—of Nature in storm mood, for instance. This is on the immediacy of God:

> "The life of every moment is a phenomenon of God's heart. Every task is the combustion of the flame of God. He greets us in the kitchen. He gazes intently upon us at the well-curb. In the bustle and hustle of

the factory or when hanging on the strap in the crowded car we breathe God. When we lift the iron sledge and are hammering out the steel we are in God's bosom.

This is the mood of the true soul. To be drunk, not with liquor but with God. To feast to one's heart's content, not on food, but on God. In dreaming and in waking hours, in sorrow and in laughter, to walk in a world flooded with light, this is a phenomenon experienced only by those who truly know the soul's art."

Inspiring, fascinating, authentic, is this life of perhaps the greatest Christian of our day.

G. T. F.

Sane Sex Life and Living

Sane Sex Life and Sane Sex Living, by H. W. Long, M.D., Eugenics Publishing Company, N.Y.

Sometime ago there was a reference in the book department of *The Review* to a technical treatise on sex which was written by an English woman physician, now head of a London hospital, who previously had been connected with a mission hospital in Tsinan. The book was published in London and had been imported into the United States with the official approval of the customs authorities in New York, said importation causing a considerable stir due to a previous ban on works of this character.

The writer mentions this incident due to the recent publication of another book on the same subject by an American physician, which also is being openly circulated, thus leading to the conclusion that along with other recent changes in the United States has come a more liberal attitude toward a subject which heretofore has been the object of suppression, at least from the standpoint of publication in books designed for general circulation—excepting novels, of course. The present book which contains a dozen chapters and some 150 pages of text is dedicated to the medical profession, but is obviously written for public perusal.

In an explanatory introduction, the author attempts to answer the objections of his pious religious friends to his book in the following fashion: "The Christian stream has been polluted. It has gone dirty in the age of hush. We are supposed to keep our mouths shut. We are not going to give sex away. We breed youngsters in fatal ignorance. They are always asking questions, but we don't answer their questions. The church doesn't answer them. Nor the state. Nor the schools. Not even fathers and mothers. Nobody who could answer answers them. But they don't go unanswered. They get answered. And they get answered wrong instead of right. They get answered smutched instead of washed. They get answered blasphemously instead of reverently. They get answered so that the body is suspected instead of being trusted."

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

House of Commons Discusses Possibility of Reducing British Forces Here

The subject of foreign troops in Shanghai was discussed in the House of Commons March 20. It was stated that no representations by British residents in Shanghai had been made regarding the desirability of retaining the British force at its present strength. Replying to a question Captain Eden of the Foreign Office, gave an assurance that due regard would be paid to local necessities before a decision was reached regarding the reduction of the British forces in Shanghai.

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Full Text of the Report of the League Committee of Nineteen

(The publication of the full text of the Report of the Committee of Nineteen, constituted by the League of Nations to investigate the Sino-Japanese dispute, adopted by the Assembly on Feb. 24, commenced in the Mar. 4 issue of "The Review," is brought to an end this week. The latter part of the Report, consisting of the Recommendations, was published in the issue of Feb. 25).

(Concluded from last week)

The Committee further noted that, even if it agreed to transform the statement of reasons into a declaration made by the Chairman on behalf of the Committee, to which the parties would be free to submit reservations, the Japanese Government would not accept the text established by the Committee on December 15, but asked in its new proposals that important amendments to the text should be made which the Committee could not accept.

In view of this situation, the Committee of Nineteen noted that after endeavoring to prepare, in accordance with the mission entrusted to it, the settlement of the dispute in agreement with the parties, it appeared to it to be impossible to submit proposals to that effect to the Assembly.

The Committee, therefore, in execution of the task entrusted to it under part three (paragraph five) of the resolution of March 11, 1932, has prepared the present draft report as contemplated in Article XV paragraph four of the Covenant.

In deciding to begin the preparation of this draft report, the Committee did not fail to point out that the Assembly was alone competent to apply, after the failure of the negotiations, the provisions of Article XV paragraph four. The Committee, therefore, remained at the disposal of the parties for any further proposals they might desire to communicate to it.

On February 8 the Japanese representative submitted to the Committee further amendments to the text prepared on December 15 (Annex 3). On February 9 the Committee, after considering these amendments, deemed it desirable to ask for further information in regard thereto, in particular whether the Japanese Government accepted, as one of the bases for the contemplated conciliation principle 7 in Chapter IX of the Report of the Commission of Enquiry regarding the establishment in Manchuria of a large measure of autonomy consistent with the sovereignty and administrative integrity of China.

This question was submitted to the Japanese delegation in a letter of the same date (Annex 4).

The Japanese Government replied on February 14 that it was convinced that the maintenance and recognition of the independence of "Manchukuo" were the only guarantee of peace in the Far East and that the whole question would eventually be solved between Japan and China on that basis (Annex 5).

In reply to this communication the Committee, to its deep regret, felt bound to hold that the Japanese proposals put forward on February 8 did not afford an acceptable basis for conciliation. It added that it was of course willing to examine up to the date of the final meeting of the Assembly any further proposals which the Japanese Government might wish to make but that it was sure that the Japanese delegation would realize that any aggravation of the existing situation must render more difficult, if not indeed frustrate, further efforts at conciliation (Annex 6).

The Chief Characteristics of the Dispute

It will be seen from this resume that for more than 16 months the Council or Assembly has continuously tried to find a solution for the Sino-Japanese dispute. Numerous resolutions have been adopted, based on various articles of the Covenant and other international agreements. The complexity, to which reference has already been made, of the historical background of the events, the special legal situation of Manchuria where Japan, as will be noted later, exercized within Chinese territory extensive rights, and finally the involved and delicate relations existing in fact between the Chinese and Japanese authorities in certain parts of Manchuria, justified and rendered necessary the prolonged efforts of negotiation and enquiry made by the League.

However, the hopes entertained by the Council and the Assembly of an improvement in the situation, arising from the declarations of the parties and the resolutions adopted with their participation, were disappointed. The situation, on the contrary, tended to grow constantly worse. In Manchuria, or other parts of the territory of a member of the League, military operations, which the Report of the Commission of Enquiry has described as "war in disguise," continued and still continue. Having considered the principal features of the dispute, the Assembly has reached in particular the following conclusions and noted the following facts:

(1) The dispute between China and Japan which is submitted to the Assembly originated in Manchuria, which China and foreign Powers have always regarded as an integral part of China under Chinese sovereignty.

In its observations on the Report of the Commission of Enquiry, the Japanese Government contests the argument that the rights conferred on Russia and subsequently acquired by Japan "in the extremely limited area known as the South Manchuria Railway zone" conflict with Chinese sovereign rights. "They were on the contrary derived from the sovereignty of China."

The rights conferred by China on Russia and subsequently on Japan derive from the sovereignty of China. Under the Treaty of Peking in 1905 "the Imperial Government consented to all the transfers and assignments made by Russia to Japan "under the treaty of Portsmouth." In 1915 it was to China that Japan addressed demands for the extension of her rights in Manchuria and it was with the Government of the Chinese Republic that following on these demands, the treaty of May 21st, 1915, was concluded concerning South Manchuria and Eastern Inner Mongolia. At the Washington conference the Japanese delegation stated, on February 2nd, 1932, that Japan renounced certain preferential rights in South Manchuria and Eastern Inner Mongolia and explained that "in coming to this decision Japan had been guided by a spirit of fairness and moderation, having always in view China's sovereign rights and the principle of equal opportunity. "The Nine Treaty" concluded at the Washington Conference applies to Manchuria as to every other part of China. Finally during the first phase of the present conflict Japan never argued that Manchuria was not an integral part of China.

(2) Past experience shows that those who control Manchuria exercise a considerable influence on the affairs of the rest of China, at least North China, and possess unquestionable strategic and political advantages. To cut off these provinces from the rest of China cannot but create a serious irredentist problem likely to endanger peace.

(3) The Assembly, in noting these facts, is not unmindful of the tradition of autonomy existing in Manchuria. That tradition in one extreme phase of a period of particular weakness on the part of the Central Government of China which made it possible, for instance, for the plenipotentiaries of Marshal Chang Tso-lin to conclude, in the name of the "government of the autonomous three eastern provinces of the Republic of China," the agreement of September 20, 1924, with the Union of Soviet Socialist Republics concerning the Chinese Eastern Railway, navigation, the elimination of frontiers, etc. It is obvious from the provisions of that agreement, however, that the Government of the autonomous Three Eastern Provinces did not regard itself as the government of a state independent of China but believed that it might itself negotiate with the Union of Soviet Socialist Republics on questions affecting the interests of China in the Three Eastern Provinces though the Central Government had, a few months previously, concluded an agreement on these questions with the selfsame Power.

This autonomy of Manchuria was also shown by the fact that though first Marshal Chang Tso-lin and, later Marshal Chang Hsueh-liang were the heads both of the civil and military administration and exercised effective power in the Eastern Provinces through their armies and their officials, the independence proclaimed by Marshal Chang Tso-lin at different times never meant that either he or the people of Manchuria wished to be separated from China. His armies did not invade China as if it were a foreign country but merely as participants in the civil war. Through all its wars and periods of "independence," Manchuria remained an integral part of China. Further, since 1928, Marshal Chang Hsueh-liang had recognized the authority of the Chinese National Government.

(4) During the quarter of a century ending in September, 1931, the political and economic ties uniting Manchuria with the rest of China grew stronger while at the same time the interests of Japan in Manchuria did not cease to develop. Under the Chinese Republic the "Three Eastern Provinces," constituting Manchuria, were thrown wide to the immigration of Chinese from the other provinces who, by taking possession of the land, have made Manchuria in many respects a simple extension of China north of the Great Wall.

In a population of about 30,000,000 it is estimated that the Chinese or assimilated Manchus number 28,000,000. Moreover, under the administration of Marshals Chang Tso-lin and Chang Hsueh-liang, the Chinese population and Chinese interests have played a much more important part than formerly in the development and organization of the economic resources of Manchuria.

On the other hand Japan acquired or claimed in Manchuria rights the effect of which was to restrict the exercise of sovereignty by China in a manner and to a degree quite exceptional, the Japanese Government exercising in practice what amounted to full sovereignty.

Through the medium of the South Manchuria Railway she administered the railway zones, including several towns and important parts of populous cities, such as Mukden and Changchun. In these areas she had control of the police, taxes, education and public utilities. She maintained armed forces in certain parts of the country: the army of Kwantung in the Leased Territory, railway guards in the railway zones, consular police in such various districts.

Such a state of affairs might perhaps have continued without leading to complications and incessant disputes if it had been freely desired or accepted by both parties, and if it had been the expression and manifestation of a well understood policy of close economic and political co-operation.

But in the absence of such conditions, it was bound to lead to mutual misunderstandings and conflicts.

The inter-connection of respective rights, the uncertainty at times of the legal situation, the increasing opposition between the conception held by the Japanese of their "special position" in Manchuria, and the claims of Chinese nationalism were a further source of numerous incidents and disputes.

(5) Before September 18, 1931, each of the two parties had legitimate grievances against the other in Manchuria, Japan taking advantage of rights open to question and the Chinese authorities putting obstacles in the way of the exercise of rights which could not be contested. During the period immediately preceding the events of September 18th various efforts were made to settle the questions outstanding between the two parties by the normal method of diplomatic negotiations and pacific means and these means had not been exhausted. Nevertheless the tension between Chinese and Japanese in Manchuria increased and a movement of opinion in Japan advocated the settlement of all outstanding questions, if necessary by force.

(6) The present period of transition and national reconstruction in China, despite the efforts of the Central Government and the considerable progress already achieved, necessarily involves the political disturbances, social disorder and disruptive tendencies inseparable from a state of transition. It calls for the employment of a policy of international co-operation. One of the methods of that policy would be that the League of Nations would continue to afford China the technical assistance in modernizing her institutions which her government might request with a view to enabling the Chinese people to reorganize and consolidate the Chinese state. The full application of the policy of international co-operation initiated at the Washington Conference, the principles of which are still valid, have been delayed chiefly by the violence of the anti-foreign propaganda carried on in China from time to time. In two respects, the use of the economic boycott and anti-foreign teaching in schools, this propaganda has been pushed to such length that it has contributed to creating the atmosphere in which the present dispute broke out.

(7) The use of the boycott by the Chinese previous to the events of September 18, 1931, to express their indignation to certain incidents and to support certain claims, could not fail to make a situation, which was already tense, still more tense.

The use of the boycott by China subsequent to the events of September 18, 1931, falls under the category of reprisals.

(8) The object of the provisions of the Covenant of the League of Nations regarding the settlement of disputes is to prevent the tension between nations becoming such that a rupture appears to be inevitable. The Commission of Enquiry found that each of the issues between China and Japan was in itself capable of settlement by arbitral procedure. It is precisely because the accumulation of these issues increased the tension between the two nations that it was

incumbent on the nation which regarded itself as injured to draw the attention of the League of Nations to the situation when diplomatic negotiations were unduly protracted. Article XII of the Covenant contains formal obligations as regards the pacific settlement of disputes

(9) Without excluding the possibility that, on the night of September 18, 19, 1931, the Japanese officers on the spot may have believed that they were acting in self-defense, the assembly cannot regard as measures of self-defense the military operations carried out on that night by the Japanese troops at Mukden and other places in Manchuria. Nor can the military measures which Japan, as a whole, has developed in the course of the dispute, be regarded as measures of self-defense. Moreover the adoption of measures of self-defense does not exempt a state from complying with the provisions of Article 12 of the Covenant.

(10) Since September 18, 1931, the activities of the Japanese military authorities, in civil as well as in military matters, have been marked by essentially political considerations. The progressive military occupation of the Three Eastern Provinces removed, in succession, all the important towns in Manchuria from the control of the Chinese authorities and, following each occupation, the civil Administration was reorganized. A group of Japanese civil and military officials conceived, organized and carried through the Manchurian independence movement as a solution to the situation in Manchuria as it existed after the events of September 18 and, with this object, made use of the names and actions of certain Chinese individuals and took advantage of certain minorities and native communities that had grievances against the Chinese administration.

This movement, which rapidly received assistance and direction from the Japanese General Staff, could only be carried through owing to the presence of the Japanese troops. It cannot be considered as a spontaneous and general independence movement.

(11) The main political and administrative power in the "Government" of "Manchukuo," the result of the movement described in the previous paragraph, rests in the hands of Japanese officials and advisers who are in a position actually to direct and control the administration. In general the Chinese in Manchuria who, as already mentioned, form the vast majority of the population, do not support this "government" and regard it as an instrument of the Japanese.

It should also be noted that after the Commission of Enquiry completed its report before the Report was considered by the council and the Assembly, "Manchukuo" was recognized by Japan. It has not been recognized by any other state, the members of the League in particular being of opinion that such recognition was incompatible with the spirit of the resolution of March 11, 1932.

The situation which led up to the events of September 18, 1931, presents certain special features. It was subsequently aggravated by the development of the Japanese military operations, the creation of the "Manchukuo government" and the recognition of that "government" by Japan.

Undoubtedly the present case is not that of a country which has declared war on another country without previously exhausting the opportunities for conciliation provided in the Covenant of the League of Nations. Neither is it a simple case of the violation of the frontier of one country by the armed forces of a neighboring country, because in Manchuria, as shown by the circumstances noted above, there are many features without an exact parallel in other parts of the world.

It is, however, indisputable that, without any declaration of war, a large part of Chinese territory has been forcibly seized and occupied by Japanese troops, and that in consequence of this operation it has been separated from and declared independent of the rest of China.

The Council in its resolution of September 30, 1931, noted the declaration of the Japanese representative that his Government would continue as rapidly as possible the withdrawal of its troops, which had already been begun into the railway zone in proportion as the safety of the lives and property of Japanese nationals was effectively ensured, and that it hoped to carry out this intention in full as speedily as might be.

Further, in its resolution of December 10, 1931, the Council, reaffirming its resolution of September 30, noted the undertaking of the two parties to adopt all measures necessary to avoid any further aggravation of the situation and to refrain from any initiative which might lead to further fighting and loss of life.

It should be pointed out in connection with these events that, under Article 10 of the Covenant, the members of the League undertake to respect the territorial integrity and existing political independence of all members of the League.

Lastly, under Article XII of the Covenant, the members of the League agree that, if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or judicial settlement or to enquiry by the Council.

While in regard to the original state of tension that existed before September 18, 1931, certain responsibilities would appear to lie on one side and the other, no question of Chinese responsibility can arise for the development of events since September 18, 1931.

More Resignations Reported from Peiping

General Chang Tso-hsiang, former Chairman of the Kirin Provincial Government and Commander-in-Chief of the Chinese army in Jehol, has expressed his desire to resign. General Yung Cheng, Executive Director of the Peiping Branch Military Council, has tendered his resignation; General Chow Lien has been appointed his successor. All the above are regarded as close associates of the Young Marshal.

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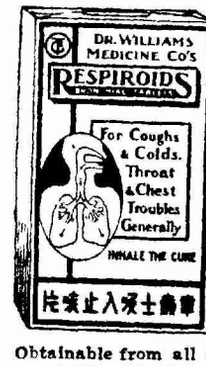

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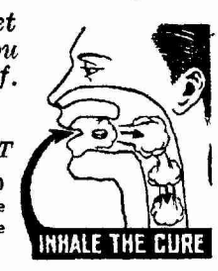

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Dr. Yard's Contract Not to Be Renewed at Northwestern University

A report from Chicago which appeared in the Feb. 22 issue of the *Christian Century*, stated that Dr. James M. Yard would not be re-employed by Northwestern University upon the expiration of his term next September. Prior to his employment as director of religious activities at Northwestern, Dr. Yard was engaged in missionary activities in China both at Shanghai and in Szechuen province. The official reason for the action of the trustees of Northwestern University was stated as follows, "Dr. Yard was brought to Northwestern five years ago, for the purpose of conducting an experiment in the directing of campus religious activities. The experiment is felt not to have been successful." The announcement created a distinct shock both at the University and in religious circles. The report stated that Dr. Yard had been under attack for some time for his liberal religious opinions and socialistic leanings. In addition to his work at the university, he also was a member of the Chicago Civil Liberties Union and of the international committee of the Chicago Church Federation. On the Sunday following notice of Dr. Yard's dismissal, he was invited to occupy the pulpit of the First Methodist Episcopal Church in Evanston, Ill., where the university is located. Dr. Yard was widely and favorably known both among foreigners and Chinese while engaged in missionary work in the Far East.

Sinkiang Seething with Revolt

Serious developments have occurred during the past few weeks in connection with the trouble in Sinkiang. Recent messages report that the Old City at Aksu has fallen into the hands of the insurgents, who have rebelled against the provincial authorities and that the Chinese Officials from the New City of Aksu (situated several miles from the Old City) are fleeing towards Kashgar. Trouble in the Kotan region of Sinkiang, near the Tibetan border, is also stated to be developing. The Chinese Amban (official in charge of the district) and other Chinese have been killed in a peasant uprising organized by Turgan Agitators. A development of the trouble in the Keria region is also reported. The outbreak started with a rising of Mohammedans against the Chinese and a bitter engagement fought at the beginning of the month near Aksu resulted in the defeat of the Chinese. Chinese reinforcements are being sent to the disturbed areas.

Chinese Exhibit at Chicago to Be Financed by Merchants

Chinese merchants in America have offered to finance the construction of the Chinese Section at the Chicago Exposition. This will greatly facilitate the participation of Chinese manufacturers even though the Government has decided to withdraw financial support on account of the present national emergency, according to Chang I-ou, Director of the Department of Commerce of the Ministry of Industry. China will thus be able to participate (although unofficially) in the Exposition and the Chinese Consul at Chicago will serve as chief delegate, he said.

With the patriotic assistance of the overseas Chinese in the United States, preparations are being resumed both in China and at Chicago. The exhibits will be dispatched from Shanghai immediately upon receipt of official confirmation from America.

Greater Shanghai Municipality Puts Ban on "Good Earth"

The City Government of Greater Shanghai has instructed the local Bureau of Public Safety to stop the filming of a picture entitled "Good Earth," said to have been adapted from Mrs. Pearl Buck's novel of the same name. The picture, it is stated, is being made by Ta Chun Kuo (Great China) Motion Picture Company, allegedly under the direction of Leon Britton, formerly of the Unique Filming Corporation here. When the Chinese police visited the premises, the staff said they were making a picture entitled "Awaken," but the Bureau of Public Safety officials said they believed that the studio staff was actually making the film entitled "Good Earth." The Chinese official attitude is stated to be that the plot wrongly presents Chinese life to the world and is viewed as "disgraceful to the country."

The Effects of Suspended Sentences and Fines

To the Editor, *The China Weekly Review*:—

A clarion call to the judges of the country to restrict the imposition of prison terms and impose suspended sentences and fines in the case of first offenders and persons charged with petty offences was made by the Ministry of Justice of the National Government recently. Consideration of the interests of the poor have taken first place in the Chinese judicial system which speaks of the humaneness of Chinese laws in contrast to the laws of many foreign countries. Suspended sentences are imposed to give the offender a chance to become quickly a useful citizen again. Eminent jurists have stated that severe sentences often have made habitual criminals from petty offenders. One is reminded that severe punishments do not often bring about the desired effect of reducing a crime wave to a minimum. The Ministry by instructing judges to temper justice with mercy has done a great service to the country; it has again shown Western nations that Chinese laws and judicial procedure are slowly, but surely, improving.

YU CHIN LINN.

Shanghai, March 15, 1933.

Dr. Lo Wen-kan Says There Can Be No Compromise With Japan

Dr. Lo Wen-kan, Minister of Foreign Affairs, in an interview upon his return to Nanking from the north March 18, said that since the aggressive activities of Japan have been condemned by the Report of the League Assembly, and since the League Report has been unanimously adopted by the world and also by the Chinese Government, the only proper thing that remains to be done is to follow the principles contained in the said Report.

"The only course that China can now pursue," he said, is to urge that immediate steps be taken towards the fulfillment of the moral and legal obligations assumed by the nations of the world under the Covenant and the League Report, so as to chastise the aggressor nation and preserve the peace of the world. On the other hand, this country should make concerted effort to give effective armed resistance to the aggressor with a view to protecting national territory and, finally, to regaining the lost provinces. In the present circumstances no compromise or temporising measures can be contemplated."

Wang Ching-wei Advocates Continued Armed Resistance

Wang Ching-wei in the course of a lengthy address at the weekly memorial service of Central Party Headquarters Nanking, March 20 said the only course open to China is continued armed resistance. It was a matter of common knowledge, he said, that the Chinese forces were sorely deficient in military equipment and that the Chinese troops were really pitting their flesh and blood against the modern and deadly weapons of our enemy. Thus in order to be able to resist, the Chinese must first improve and increase their military equipment. Mr. Wang added that it was not sufficent merely to purchase more arms and ammunition but China also had to turn her attention to productive enterprises. The question of resistance is not purely a military one, he said, but is more or less political and general.

General Chiang Tso-Ping Not Returning to Japan

General Chiang Tso-ping, Chinese Minister to Japan, who arrived in Shanghai from Nanking March 20, refused to comment on the Sino-Japanese situation and added that he would do whatever he was ordered to do by the Government. He said that he did not expect to return to Japan in the near future, as there was nothing to be done at the present moment.

Second Batch of Peiping Palace Treasures Arrives in Shanghai

The second batch of Peiping Palace treasures, arrived in Shanghai on board the China Merchants steamer *Kwaili* March 21. The shipment consisted of 1,564 boxes, mainly historical records and curios. They were removed to the same place as the preceding batch in the French Concession. A movement is on foot to hold a public exhibition of the treasures here.

Banking Situation in America Improves

Public confidence in America's banking system is gradually being restored, deposits in recent days having exceeded withdrawals. Two large banks at Detroit, one being the First National which refused Henry Ford's offer at reorganization, were among the few important banks that still remain closed. The Stock Exchange and kindred organizations have reopened.

President Roosevelt March 20 signed the economy bill, reducing government salaries and veterans benefits by more than half a billion dollars annually. The new beer bill includes wines and fruit juices of 3.2 per cent alcohol. The incidental Federal taxes are counted on to bring in an annual revenue of about two hundred million dollars.

New York Bank Manager Arrested

Joseph W. Harriman, Chairman of the Harriman National Bank and Trust Company, was arrested in New York March 14 on a warrant charging that he had made or caused to be made, false entries with the deliberate intention to deceive the bank examiner. The alleged false entries were discovered while examiners were checking the bank to determine whether it would be permitted to resume activities.

Charles E. Mitchell, the chairman of the Board of the National City Bank of New York who resigned on February 27, was arrested for alleged violation of the income tax law in New York March 22. The warrant stated that Mitchell's gross income for 1929 was G.$3,006,705, whereas his tax return showed a purported net loss of G.$48,000 and he accordingly paid no tax.

Income tax collections in the United States for March 15 exceeded those on March 15 last year by approximately G.$1,011,000, a recent Washington telegram stated. The increase is attributed to higher income tax rates and lower exemptions.

New York Savings Bank President Commits Suicide

Following the discovery of a shortage of G.$1,500.000 in the accounts of the Park Savings Bank in New York, Robert Stuntz, the president, committed suicide, end of last week. The deceased left notes exonerating every one connected with the bank from wrong-doing.

Howell Getty, president of the First National Bank in New Wilmington, Penna., was found shot dead March 17. A note was found drawing attention to his $50,000 life assurance policy which, he stated, was sufficient to enable the bank to re-open for business.

Hoarders Surrender Gold

The period of grace extended to hoarders of gold expired March 18 afternoon. The total of gold returned to the banks during the final week of the period set for the return by the government amounted to something between G.$350,000,000 and G.$400,000,000.

Gold to the value of G.$8,500,000 was exported from New York to Italy last week under special Treasury license. This is the first transaction of its kind since President Roosevelt's embargo on gold exports. The shipment may set a precedent for the G.$400,000,000 worth of gold earmarked for foreign balances and still in the vaults of the Federal Reserve banks.

Silver Interests Press for Action

The silver producers in the U. S., through their principal spokesman, Senator Pittman from Nevada, are pressing daily more strongly for legislation that will authorize the U. S. government to make heavy purchases in the open market of silver. Senator Wheeler from Montana continues to press for the free coinage of silver at the Bryan ratio of 16 to 1. Senator Wheeler reiterates his opinion that if the nations that have not gone off the gold standard do not return, the United States must devaluate the dollar in one way or another.

Canton Experiences Another Money Crisis

Canton is once more in the throes of a money and financial crisis. The old banknotes issued by the Central Bank—those of the $5 and $50 denominations—are suffering a sharp depreciation following the offical announcement that the Provincial Bank would not give silver in exchange for them but would request holders of the notes to register their amount at the Bank within a month's time so that these old notes may be exchanged for new ones at a later date.

CUSTOMS NOTIFICATION NO. 1286

The public is hereby notified that the following scale of fees expressed in Standard Silver Dollars will be enforced as from the 20th March, 1933:—

Description of Fees.	Scale.
Fees for working Passengers only—	
Ocean steamers	$ 23 or 47
Coasting steamers	$ 5
I.W.S.N. vessels	$ 3
Fees for issuing I.W.S.N. Certificates	$ 31
Annual renewal fee	$ 8
Fees for Notarial Acts—	
Witnessing signature	$ 3
Noting protest	$ 8
Copies of documents..Per 100 words	$ 8
Extending protest	$ 16
Copy of Customs document or receipt certifying payment of duty	$ 2
Chinese-owned vessels shipping or discharging foreign officers, per officer	$ 3
Consularly unrepresented vessels, shipping Chinese seamen, per seaman	$ 3
Quasi-Consular Fees—	
Entry	$ 8
Clearance	$ 8
Endorsement of ship's papers	$ 3
Fees for Vessels working cargo outside Harbour Limits Per day	$ 16
Bonded Warehouse Fees—	
Fee for issue of Licence	$ 78
Annual Licence renewal fees	$ 16
Sampling or Inspection Permit	$ 16
Supervision fee..Per day per Customs Officer	$ 16
Supervision fee..Per month per Customs Officer	$ 468
Bonded Oil Tank and Warehouse Fees—	
Fee for issue of Licence	$ 390
Annual Licence renewal fee	$ 78
Supervision fee for oil in containers.. Per month	$ 156
Supervision fee for installations requiring full-time services of Customs Officer..Per month	$ 468
Bonded Factories for Automobile Assembling Licence for five years	$ 1558
Licence renewal for five years	$ 312
Supervision fee, requiring full time services of Customs Officers, per officer per month	$ 468
Supervision fee for working factory outside of Customs hours:—	
From 6 p.m. to midnight on ordinary days	$ 28
From 6 p.m. to 6 a.m. on ordinary days	$ 56
From 6 a.m. to 6 p.m. on Sundays and holidays	$ 56
From 6 p.m. to midnight on Sundays and holidays	$ 56
From 6 p.m. to 6 a.m. on Sundays and holidays	$ 112
Special Permit Fees—	
From 6 p.m. to midnight on ordinary days	$ 28
From 6 p.m. to 6 a.m. on ordinary days	$ 56
From 6 a.m. to 6 p.m. on Sundays and holidays	$ 56
From 6 p.m. to midnight on Sundays and holidays	$ 56
From 6 p.m. to 6 a.m. on Sundays and holidays	$ 112
Customs Brokers' Licence Fees—	
Annual Licence	$ 10
Annual Renewal	$ 2
Certificates of Origin	$ 2

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 17th March, 1933.

JAPAN'S FINANCIAL DANGER

(*Continued from page 131*)

financial events in order to make the Government compile future Budgets in a right spirit.

The Japanese newspapers fear that if nothing is done to improve the country's finances, public discontent will grow. When the Finance Minister compiled the present Budget, its dimensions caused alarm even in Government circles, and there was talk of the Government proceeding immediately with the work of reconstructing finance. In the Diet, however, Mr. Takahashi, the Finance Minister, showed himself a confirmed optimist. He kept on saying that things will pick up, and with business revival there will be an increase in revenue, it being also rendered possible to increase taxes. He was sanguine enough to express the hope that the Budget will be balanced a few years hence. In the opinion of the Japanese public such irresponsible utterances are hardly calculated to enhance confidence in the present Cabinet.

Finance Minister Takahashi pleads inability to predict in any way the future course of financial events; it would indeed, be very irresponsible of him to do so, he says. But he has said it can fairly be counted upon that in the Budget for the fiscal year 1934-1935 the Manchurian affair expenditure, the armaments improvement cost and the relief works vote will still figure, and that no marked business revival can be looked for before the autumn of this year, or the time for compiling the Budget for the fiscal year 1934-1935.

Viscount Maeda (Kenkyukai), in the debate on the Budget at Tokyo March 18 said that the size of the Budget did not greatly surprise or alarm him. What he apprehends is that the financial policy of the Government looks like a water-barrel with loosened hoops. Before it is too late, the hoops must be tightened, otherwise the water will run out and the barrel itself fall to pieces. A fiscal program which provides for the issue of loans to pay interest on old loans can hardly be described as sound. The Government has been asked to offer convincing explanations, but has failed to give them. All that the Premier could say was that he believed things would improve in future.

Baron Yosho Sakatani (Koseikai) also supported the Budget, though with a sharp warning to the Government. He said that in the previous session of the Diet, he warned the Premier against a loan policy, and the Premier promised to refrain from loan issues in later fiscal years. Unfortunately, his pledge is rudely falsified by the Budget under discussion. It is a pity that the Government appears to take pride in its loan policy. The additional issue of inconvertible notes appear to enrich the national treasury, but as a matter of fact it is as reckless a course as a poor drinker going on a spree with borrowed money.

Yokohama Bank Manager Is Pessimistic

Economic conditions in China, Manchukuo and the United States, all exceedingly important to Japan, were discussed by Mr. Kodama, president of the Yokohama Specie Bank, in his address to shareholders at the recent semi-annual meeting. "Japan's economic condition at the outset of the last half-yearly business term remained depressed," he said. In the course of his address, Mr. Kodama further started, "Japan's exports for the six months were Yen 860,000,000 and imports Yen 615,000,000, gaining Yen 290,000,000 and Yen 70,000,000 over the year before. Exports of raw silk gained Yen 46,000,000, those of cotton textiles Yen 85,000,000 and those of rayon textiles Yen 15,000,000 over the year before. Imports of raw cotton went off 10 per cent in quantity but gained Yen 69,000,000 in value as compared with the year before....One of the most noteworthy events in Shanghai trade was the advance of the United States to top position with respect to trade volume. Great Britain rose to second place with 13 per cent of the total and Japan dropped to third with 9.1 per cent. Japan thus has lost its predominant position in China trade. Japan's trade with Manchukuo, especially with Dairen had, however, been unusually active."

The National City Bank of New York, Rates of Exchange

Shanghai, March 22, 1933.

Demand selling rate on America:	U.S. $100=Sh. $486.09
Demand buying rate on America:	U.S. $100=Sh. $477.49
Demand selling rate on London:	£1.0.0=Sh. $16.65
Demand buying rate on London:	£1.0.0=Sh. $16.35

Latest New York Stock Exchange Quotations

Market—Easy Business Done 1,210,000 Shares

March 22, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Mar. 20	Tues. Mar. 21
9 1/4	1 5/8	—	Adams Express	4 7/8	4 1/4
89 5/8	42 1/2	*6.00	Allied Chemical & Dye	83	80
15 5/8	4	—	Allis Chalmers	8 1/4	7 7/8
78 7/8	29 5/8	4.00	American Can	59	57 1/8
15	2	—	American & Foreign Power	5 1/8	5
38 1/2	5	—	American & Foreign Power 7% Pfd.	11	11
9 1/4	1 1/4	—	American Metal Co.	4 3/4	4 1/8
10	1 1/8	—	American & Foreign Power Warr.	Unq.	3 3/4
27 1/2	5 1/8	—	American Smelting	15 5/8	14 5/8
137 3/8	70 1/4	9.00	American Telephone & Telegraph	101 1/8	97 5/8
86 3/4	40 1/2	5.00	American Tobacco "B"	61 1/4	58 3/8
34 1/2	11	1.00	American Waterworks	12 1/8	12
19 3/8	3	—	Anaconda Copper	7 1/8	7
151 3/4	28 3/4	*4.00	Auburn Automobiles	37	32 1/2
21 3/8	3 3/4	—	Baltimore & Ohio	11 3/4	10 7/8
28 5/8	7 1/4	—	Bethlehem Steel	13 7/8	13 1/8
43 1/8	19 3/8	1.60	Borden Company	22 5/8	20 3/4
14 1/4	3 5/8	—	Borg Warner	8	7 1/8
20 5/8	7 1/4	—	Canadian Pacific Railway	9	8 1/8
65 3/4	16 3/4	—	Case, J. I.	46 7/8	44
47 7/8	19	2.00	Chase National Bank	23	21
20 3/4	4 7/8	2.00	Chesapeake Corp.	19 5/8	18 1/2
21 3/4	5	1.00	Chrysler	9 7/8	9 1/2
21	4 1/4	1.00	Columbia Gas & Electric	12 1/8	11 1/8
5 1/8	1 5/8	—	Commonwealth & Southern	2	1 3/4
1	3/16	—	" Warr.	3/8	3/8
68 3/4	31 1/2	4.00	Consolidated Gas of N. Y.	47	44 1/4
9 3/8	3 5/8	—	Continental Oil	6	5 3/4
55 3/4	24	3.00	Corn Products	57 3/8	54 1/2
7 3/8	1 1/2	—	Coty Inc.	3 5/8	3 3/8
3 1/4	7/8	—	Curtiss Wright Company	1 3/4	1 3/4
18 5/8	5	.75	Douglas Aircraft	12 3/4	11 1/8
57	23	3.00	Drug Incorporated	34 1/4	34
59 3/4	22	2.00	Du Pont de Nemours	39 1/2	37 5/8
87 7/8	35 1/4	3.00	Eastman Kodak	59 3/4	57 3/4
42	5	6%S	Electric Bond & Share	14 5/8	12 7/8
16	2 3/4	—	Electric Power & Light	4 7/8	4 1/8
5 7/8	1	—	Fox Film "A"	1 1/2	1 1/2
26 1/8	8 1/8	.40	General Electric	14	13 5/8
40 1/2	19 5/8	2.00	General Foods	26 1/2	26
24 5/8	7 5/8	1.00	General Motors	12 5/8	11 7/8
28 5/8	6 1/8	1.00	General Railway Signal	19 1/8	18 1/4
24 1/8	10 3/8	1.00	Gillette Safety Razor	16	14 3/4
20 5/8	8 1/4	1.20	Gold Dust	15 1/4	15
29 3/4	5 1/8	—	Goodyear Tire & Rubber	15 1/2	13 7/8
18 3/4	3 5/8	—	International Cement	Unq.	8 1/2
1 7/8	1/2	—	International Com. Engine	5/8	Unq.
34 1/8	10 3/8	.60	International Harvester	23	21 1/4
12 1/2	3 1/2	—	International Nickel	8 1/8	8 1/8
15 3/4	2 5/8	—	International Telephone & Telegraph	6 7/8	6 3/8
33 3/8	10	—	Johns Manville	16 3/4	16
19 1/4	4 7/8	—	Kennecott	9 7/8	9
67 1/2	34 1/8	*4.00	Liggett & Myers, "B"	58 1/4	56 1/2
37 1/4	13 1/4	3.00	Loew's: Inc.	12 1/4	10 1/2
18 3/8	9	1.20	Lorillard P. Co. (Com.)	13 1/4	13
11 3/4	1 1/8	—	Ludlum Steel	5 3/4	4 3/4
16 1/2	3 1/2	—	Montgomery Ward	13 3/8	12 5/8
84 1/2	23 3/4	2.00	National City Bank (bid price)	22	21
36 5/8	8 3/4	—	New York Central	19 7/8	19 1/8
48 1/4	13 3/4	8%S	North American Company	20 3/4	18 7/8
37	16 7/8	2.00	Pacific Gas & Electric	23 1/8	22 3/8
5 1/4	1 1/2	—	Packard Motors	2 1/4	2 1/4
11 1/2	3/4	—	Paramount—Publix'	1/2	5/8
23 3/8	6 1/2	—	Pennsylvania Railroad	18 3/4	17 1/2
4 3/8	1	—	Pennroad Corporation	1 1/2	1 1/2
8 1/2	2	—	Phillips Petroleum	6 3/8	6
60	28	3.20	Public Service of N. Jersey	40	37 1/4
18 1/2	2 1/4	—	Radio Corporation	4 1/8	4 1/4
7 3/4	1 1/4	—	Radio-Keith Orpheum	1 1/2	1 3/4
40 1/2	26 1/2	3.00	Reynolds Tobacco "B"	31 1/2	30 1/2
37 5/8	9 7/8	—	Sears Roebuck	19 3/8	17 7/8
8 3/4	2 1/8	—	Shell Union	4 1/4	4 5/8
13 3/8	2 3/4	—	Simmons Company	6 1/4	5 1/2
12 1/4	5 1/4	.40	Socony-Vacuum Corp	6 1/2	6 1/2
32 3/4	15 3/4	2.00	Southern California Edison	19 5/8	18 3/8
34 1/4	7 5/8	1.20	Standard Gas & Electric	9	7 3/4
37 3/8	19 7/8	1.00	Standard Oil Co., of N. Jersey	26	25 7/8
18 1/4	9 1/4	1.00	Sixas Corporation	13 1/2	12 3/8
26 3/4	12	1.00	Texas Gulf Sulphur	18 5/8	18
7 1/8	2 1/8	—	Trans America	4 5/8	4 3/8
36 3/4	15 1/2	1.20	Union Carbide & Carbon	24 1/4	22 3/4
94 1/2	27 3/4	6.00	Union Pacific	78	75
34 3/8	6 1/2	—	United Aircraft & Trans.	22 1/4	21
14	3 1/8	.40	United Corporation	6 3/8	5 3/4
22	9 1/4	1.20	United Gas Improvement	16 1/2	15 5/8
10 1/4	1 1/4	—	U. S. Rubber	4 1/8	3 3/4
62 5/8	21 1/4	—	U. S. Steel	30 5/8	28 5/8
23 3/4	5 1/4	—	Vanadium	12 3/4	11
4 1/2	1/2	—	Warner Bros. Pictures	1 1/4	1 1/4
43 1/2	15 5/8	—	Westinghouse E. & M.	26 7/8	25
45 5/8	22	2.40	Woolworth	30 1/2	29 3/4

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